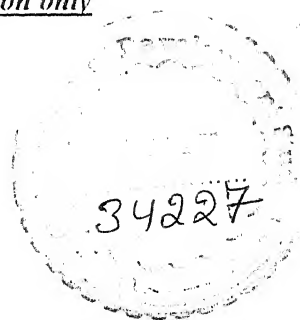


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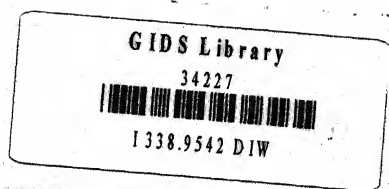
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**MID TEM APPRAISAL
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THE TENTH FIVE YEAR PLAN OF UTTAR
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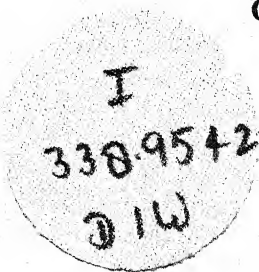
**D.M.Diwakar
Sanatan Nayak**

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U.P. - eco planing & policies*



GIRI INSTITUTE OF DEVELOPMENT STUDIES

**Sector O, Aliganj
Lucknow-226024
2005**



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Preface

The State Planning Commission (Department of Planning), Government of Uttar Pradesh has decided to assign Giri Institute of Development Studies, Lucknow to take up a study on 'Mid Term Appraisal of the Tenth Five Year Plan of Uttar Pradesh' (vide: Office Memo no. 1481/5/8/35-a-2/2003-88 dated 31.03.2004). In response to this memo a preliminary framework for this task was submitted by the Institute (vide letter no. GIDS/407/04 dated 26.04.2004). In continuation of this correspondence in this context, the Institute was asked to submit a proposal, processes and time frame (vide D.O. letter no. 5/9/35-a-2/2003-91 dated 30.04.2004) in order to finalize the preliminary framework of this study. The proposal was submitted and later presented before the planning Department on 05/07/ 2004 and finalised with an emphasis on private investment subject to availability of data.

This study is a collective output of the Giri Institute of Development Studies and the experts from various institutions in Lucknow. The Institute is honoured to accept such academic assignment for the Government of Uttar Pradesh. The Institute is grateful to the Department of Planning for providing such opportunities with grants. Cordial support from the Department of Planning and other Department of the Government of U.P made this task possible. Professor Y. Tyagi and Dr. M.K. Agarwal from the Department of Economics, and Dr. D.R.Sahoo from the Department of Sociology, University of Lucknow, Dr. N.M.P.Verma from the Department of Economics, BB Ambedkar University, Shri T.N.Dhar I.A.S. (Rtd.) from Indian Institute of Public Administration, U.P. Regional Branch and Dr. A.N. Pandey from the Institute of Entrepreneur Development, Lucknow have rendered their consultancy for this task. The Institute expresses its gratitude to expert contributors for their valuable contribution despite their busy schedules and preoccupations.

Within Institute Professor A.K.Singh, Director, GIDS, extended all possible supports and contributed a chapter also despite his busy administrative and academic responsibilities. Another faculty members who contributed chapters from the Institute are Dr. Sanatan Nayak and professor D.M.Diwar. Institute assigned them to coordinate this

study jointly. Mr. Abhishek Mishra and Ms. Anita Sonekar shouldered arduous task of data collection from different departments and processing them sincerely and efficiently. This study would not have been possible without their effective support. Needless to mention that coordination would not have been easy without administrative and secretarial support of the Institute. We are grateful to our Director for his support and cooperation.

Despite our best efforts we have not been able to make this study free from limitations. Needless to mention that responsibilities of shortcomings left unattended rest on us.

D.M.Diwakar
Sanatan Nayak

Executive Summary

The process of development and planning has been enriched by its experiences gained through various Five Year Plans. On the line of national planning Nine Five Year Plans have already been executed and monitored for the economy of Uttar Pradesh. Gradual realisation of various dimensions of ground realities has been very much reflected with better articulation in successive plans. In the era of reforms now the economy is at the middle of the Tenth Five Year Plan with public and private partnership in development process. In order to address the need of development and identifying priority area, people at large and poor and historically disadvantaged groups and community in particular remained at the central point. Efforts have been made to minimise hardship of common masses and reduce regional disparities. Mobilisation and allocation of resources in a defined investment framework has been crucial strategy to determine growth processes and performance of the economy. Mid Term Appraisal of the Tenth Five Year Plan presents a broad assessment of the direction of development of different sectors of the economy.

1. *Economy of Uttar Pradesh: An Overview*

Overview of the economy suggests that net state domestic product (NSDP) at constant prices 1993-94 has grown annually at 3.79 per cent from 1960-61 to 2002-03, whereas per capita NSDP has grown merely by 2.54 per cent. Plan wise annual compound growth rates at constant prices suggest that seventh plan could achieve highest growth rates to the tune of 6.61 per cent. It declined to 5.22 per cent in Eighth Five Year Plan, which further decelerated to 4.34 per cent in the Ninth Five Year Plan. Similarly rate of growth of per capita NSDP registered 4.25 per cent in Seventh Plan which came down to 2.87 in the Eighth Plan and it reached at the lowest level to 0.93 per cent during Ninth Plan. Declining growth rates of NSDP and per capita NSDP is a matter of serious concern as these reflect declining per capita purchasing power of the economy. Moreover, percentage contribution of state in National income has been declining. This suggests that the relative position of state performance is sliding from the average contribution in the Ninth Plan.

Share of NSDP of agriculture at constant price of 93-94 for the economy of U.P. has come down from 64.87 per cent in 1960-61 to 36.1 in 2001-02, 33.9 in 2002-03 and 33.7 in 2003-04. Annual average growth rate for agriculture during Ninth Plan was merely 0.85 per cent and total primary sector was 1.99 per cent. During first year of the Tenth Five Year Plan it turned negative due to severe drought. During second year it could register an impressive growth rate due to favourable monsoon. But over all growth rate for the first two years remained negative. Third year was again a year of severe drought and therefore agriculture growth might have adversely affected further. Agricultural being a major component of Primary sector therefore turned the growth rate of this sector negative. Manufacturing sector has performed relatively better in the Tenth Five Year Plan and could register 6.5 per cent growth rate. Other sectors grew by 4.3 per cent which is higher than the growth rate of previous plan.

If one attempts to review the targets set for broader sectors for the Tenth Five Year Plan as mentioned in Plan Document, annual growth rate target for agriculture was set to the tune of 5.17 per cent, manufacturing as 12.36 per cent and rest sectors (services) as 8.06 per cent (see vol. I Part I p. 35). In the first year of the Tenth Five Year Plan (2002-03) agriculture and allied sectors registered negative growth rate to the tune of (-) 6.03 per cent because of unfavourable monsoon. However, in the year

2003-04 it recovered to 5.28 per cent as monsoon was favourable. This recovery appears mainly on the negative base value of the growth rate in previous year. If one takes average of the two years, annual growth rate remained negative (- 0.37 per cent).

Manufacturing sector could achieve 6.22 and 6.78 per cent annual growth rate averaging to 6.5 per cent per annum against the target of 12.36 per cent per annum. Similarly other sector could grow on an average 4.3 per cent per annum. But there has been increasing tendency in the growth rate of other sectors from 2.45 per cent in 2002-03 to 6.15 per cent in 2003-04. Average rate of growth of other sectors remained at 4.30 per cent against 8.06 per cent. Thus, over all growth rate target, which was set to the tune of an ambitious level and all time high rate of 8 per cent per annum, remained as low as 3 per cent per annum. Moreover, state economy grew by 5.4 per cent per annum during 2003-04 but the base was too low at 0.3 per cent in the beginning (2002-03) of the Tenth Plan on account of fluctuating performance of agriculture, failure at manufacturing industry and other sectors. If one deals the issues of growth rates further, past performance of different sectors of the economy does not suggest any basis to set a target of 8 per cent to be achieved without introducing major change in the investment pattern.

There has been general agreement that investment is the function of growth. In order to examine this functional relation for Uttar Pradesh, plan document (Annual Report 2004-05, Vol I-I, p.14) suggests that incremental capital output ratio for the year ending Ninth Plan, i.e., 2001-02 was 4.08. Growth rate of the state income for this year was 4.5 per cent (ibid. p.72). Thus, saving/ investment rate can be worked out as 18.4 (4.08×4.5) per cent. Target set for the Tenth Plan was 8 per cent. With a given ICOR saving/investment required for 8 per cent growth rate of the economy could be 32.64 (4.08×8) per cent. Thus, target to rise saving was about 77.4 per cent more than that of the base level of 18.4 per cent in order to achieve 8 per cent growth rate. This appears to be a big challenge rather unachievable. This required investment rate of 32.64 per cent for this state is even higher than the central government, which has higher rate of investment rate than that of U.P.

It is worth noting here that the Tenth Plan of the government of India has set a target of 8 per cent along with recommendations of positive policies and programmes for changing the sectoral pattern and technology in favour of labour intensive production (GOI, 2002b: 144). Needless to mention that in order to achieve this growth rate a higher rate of investment is needed. Average rate of investment during 1992-93 to 1999-2000 was 24.4 per cent and average growth rate was around 6.5 per cent. This implies an incremental capital output ratio (ICOR) of 3.75 per cent. Thus, in order to achieve a growth rate of 8 per cent would require an increment in the rate of investment to 30 per cent of GDP. This will further require increased domestic savings and foreign investment (GOI, 2002a: 83). However, we all know that achieving 8 per cent growth rate remained unattainable except one year for the Indian economy also.

Plan document of U.P. suggests that 29.4 per cent of aggregate investment required (Rs.364645 crore) in order to achieve 8 per cent growth rate at given ICOR (4.08) will be mobilized by the public sector and 70.6 per cent by private sector. Therefore, the target growth rate is largely dependent on private sector investment. Looking at the growth rates of two years it appears that investment by private sector could not be mobilized substantially to accelerate the growth rate of the economy. Moreover, Plan document did not have technical notes on calculating various figures, for example on ICOR. Similarly, it is difficult to find out data on private investment

on which major dependence has been expressed. In such a situation, assessing growth targets and resultant figures remain a difficult proposition without a separate study. Therefore, the Planning Department should initiate separate studies in this regard.

Allocation of resources for the Tenth Plan suggests that percentage share of agreed outlay for General Economic Services has been placed in top priority. Other sectors got lower percentage outlay than that of the Ninth plan. Utilisation of funds inter alia decides the level of effective implementation of the programmes. Data suggest huge gap in agreed outlay, allocation and expenditure. Over all annual utilisation of funds for 2002-03 to 2004-05 (including anticipated and proposed) with respect to agreed outlay is only 26.57 per cent. Proportionately it should be 60 per cent. General Economic Services, which is on the top priority of the Tenth Plan with 31.26 per cent allocation could utilise only 1.47 per cent of funds in three years. In most of the cases the level of utilisation is below 40 per cent. However, Special Area Programme could achieve ideally above 63 per cent. Table given below suggests that over all annual utilisation of funds in the year 2002-03 was to the tune of 90.55 per cent of the approved outlay for the year. Out of which capital expenditure also remained to the level of 93.43 per cent. Second year of plan suggest that expected expenditure was quite lower than approved outlay. It is expected to come down to 79.26 per cent and capital expenditure earmarked for the year is also to be about 86.04 per cent. But annual slot itself is much below to the proportionate level. This needs to be addressed.

Challenges of growing unemployment amidst slow pace of growth of the economy, poverty and mounting debt compounded with increasing debt servicing and revenue expenditure and implication of new fiscal regime consequent upon the Twelfth Finance Commission suggests that some stringent measures are necessary to protect the interest of the poor and deprived masses.

2. *Regional Disparity*

One of the major objectives and target set for the Tenth Five Year Plan is to reduce regional disparity. Analysis could identify a few important reasons for regional disparities such as, lack of industrialisation in backward regions, inadequate irrigation facilities in eastern and Bundelkhand regions, large flood prone areas in the eastern region causing intermittent loss of crops and lives, largely rain-fed agriculture in Bundelkhand region, and low cropping intensity mainly responsible for low agricultural productivity and little diversification of agriculture and less cash crops area leading to non-viability of farm and act as drag on private investment in agriculture. It was found that despite many efforts intra-regional disparities appeared to have widened over time and planned efforts have not been commensurate with the severity of the problem and lack of coordination.

In order to address the issues effectively physical targets and corresponding achievements under special area programmes should be laid down, properly monitored and evaluated on a yearly basis by the Planning Department. There is a need to dovetail special area programmes with other developmental programmes at the district level to avoid duplication of efforts and synergies among programmes to harness and optimize the use of resources. Infrastructural facilities in the backward districts should be augmented to give impetus to development. There should be evaluative studies to determine the effectiveness of various special area programmes in reducing regional disparities. There is a need to have augment capacity and capability to formulate plans/programmes in time to take advantage of centrally

sponsored schemes to avoid delay in implementation. Moreover, for balanced regional development, agro-climatic conditions, special problems and potential of development of different districts/regions should be assessed properly and taken into account while formulating area development plans.

3. *Poverty*

Official data from Annual Plan 2004-05 suggest declining trend in poverty from 29.5 per cent in 2001-02 to 27.8 per cent in 2003-04, 26.97 per cent in 2004-05 and assume further decline to 25.4 per cent in 2006-07 despite all sorts of unfavourable situation (Annual Plan 2004-05, vol. I, p.79). Using indirect method of poverty estimation the Planning Commission estimated the incidence of headcount poverty for rural U.P. for 1999-2000 to be 31.22 per cent that corresponds to the monthly per capita expenditure of Rs. 336.88. Official data suggest that the level of poverty has declined significantly in U.P. but relative position in terms of share of poor in U.P. with respect to India has increased. Majority of poor stays in rural areas. Further regional break up indicates that central U.P. has highest concentration followed by eastern U.P. Moreover, OBCs and SCs constitute highest concentration to the tune of 47.6 and 34.6 per cent respectively. There is hardly any difference in the level of poverty between Hindu and Muslim in rural areas but there has been significant difference in urban areas where Muslims are poorer than that of the Hindu. However, using direct method of poverty estimation with NSS 55th Round data for the year 1999-2000, the incidence of headcount poverty for rural Uttar Pradesh based on the calorie norm of 2400 kcal is estimated to be 61 per cent that corresponds to monthly per capita expenditure of Rs. 455. Thus, we get a difference in the estimates of headcount poverty by these two methods for rural U.P. at a magnitude of 30 per cent. Taking 2200 kcal norm the estimates turned out to be 27.5 and 47 per cent respectively and associated monthly per capita expenditures are 325 and 400 respectively. So long, we accept caloric intake as criteria for deciding poverty line it will be difficult to escape from this hard reality. Moreover, if we add up shelter, drinking water, sanitation, health and education in basic necessity, estimates of deprivation will touch further a new height.

Rural income of U.P. is largely dependent on agriculture and allied activities. This sector has therefore significant influence on poverty. Agricultural economy of state has not been performing satisfactorily as it has been the victim of the vagaries of the monsoon in intermittent years in the Tenth Five Year Plan. In 2004-05 also about 61 districts of the state have been declared draught hit. State initiatives to offset the sliding effects on annual production and growth performance would be a difficult task. It is a matter of investigation that agriculture, which remained shelter of larger number of the people of the Uttar Pradesh did not grow satisfactorily. Census data of 2001 do not suggest significant shift of workforce in industry or other sectors. This suggests a fresh independent reassessment of the poverty is necessary. Therefore, working out strategies for reducing the level of poverty has remained and will remain a challenge before policy makers and implementing agencies.

4. *Unemployment*

The backlog of unemployment in state in 2004-05 is 25 lakh persons. The total under employed in the state has been estimated 99 lakh persons. In addition, new entrants in 2004-05 will be around 14 lakhs. Thus unemployed will be 39 lakhs and under employed would be 99 lakhs for whom employment has to be provided during the

remaining two years of the Tenth Plan. The generation of employment is linked to growth of income. On the basis of employment elasticity (0.45) it was estimated that targeted growth of 8% per annum would generate employment at the rate of 3.6 per cent for about 14.64 lakh during annual plan period. But with a growth rate of about 3 per cent per annum and given employment elasticity of 0.45 employment generation rate could be merely 1.35 per cent. Situation of unemployment is bound to be worsened further in the remaining years unless some stringent measures are not initiated. Employment Guarantee Act might provide some relief provided it is implemented effectively. The problems of under employed will still remain unsolved for which extra effort is required in the remaining years of the Tenth Plan.

Rising open as well as disguise unemployment is another concern that emerged from the analysis. Sharp increase in marginalisation of workforce indicates deteriorating quality of employment. Agriculture still remains the mainstay but shift in occupation towards non-agriculture has also been found. Decreasing number of unemployed in live register of employment exchange does not necessarily indicate decreasing unemployment. It might suggest indifference of educated youth for inconsequential registration for employment in organised public sector.

In order to address the problems it is imperative to expedite necessary measures for achieving growth to higher level and identify labour intensive opportunities for public and private investment (for example, in construction, livestock and dairy, food-processing industries, Information technology, communication, small and medium enterprises, trade and commerce etc.) encouraging through fiscal and administrative measures. Improvement in social infrastructure facilities such as education, health, power, irrigation, housing, road construction, etc., are the sectors in which there is a big scope for absorption of the skilled, semi-skilled and un-skilled labour force. Therefore, infrastructural sectors should receive more public investment. There is need to enhance capabilities of poor, strengthen social security measures, create income generating opportunities and assets, expansion of non-farm employment through diversifying agriculture, initiate and strengthen special drive for employment of weaker section, and involve local bodies in implementation of the employment and anti poverty programmes, etc. need to be addressed on priority basis. The credit-deposit ratio in U.P. is very low hence micro-credit facilities should be expanded to encourage private investment especially by farmers, small and medium entrepreneurs.

5. *Agriculture and Allied Sectors*

Agriculture still forms the predominant economic activity of Uttar Pradesh due to poor pace of structural transformation in the most populous economy. This dimension is important because relative gap between the economies of U.P. and India is widening in all respects. Growth targets are not being realised with big gaps in U.P. where sectoral relationships have been weakened. In this background over emphasis on the state agriculture makes the things difficult because this sector is also suffering from poor growth and low pace of diversification. In the state agriculture, major contribution must be expected from the productivity gains and intensive farming besides land reclamation and expansion of irrigation network in agriculture. However, gradual marginalisation and small holdings are not helpful in their process besides weak support from the policy interventions. The agriculture sector is gradually increasing its dependence on low value added crops while the traditional cash crops are either getting reduced production or stagnating and pulses are showing down trend. The tenth Plan targets are far from being realised due to symbolic crop diversification and lack of fresh technological advancements. This gets reflected in

stagnating productivity and cropping intensity even in the Tenth Plan period. Other allied sectors like fisheries, forestry, and animal husbandry are performing relative better and these need to be encouraged further. For poor agricultural performance, poor and unstable state support can not escape the responsibility. Moreover, plan targets are often unrealistic as it ignores short term stimulants as well as long term strategy. Therefore, it becomes essential to make a fresh long term strategy and make it a success strong links of short terms orientations must be formulated while linking it with the over all perspectives.

6. *Rural Development and Poverty Alleviation*

The Government of U.P. has a long term plan to develop rural area through several ways. The rural development department is implementing various centrally sponsored as well as U.P. State sponsored schemes for the above purpose. The objectives of all the plans so far have been broadly confined to reduce rural unemployment and poverty through self and wage employment and also to create infrastructure. These specific schemes may be broadly classified as self-employment schemes, wage employment schemes, creation of rural infrastructure, and provision of small pucca houses, safe drinking water facilities, durable metalled roads and other social capital. There is a separate guideline for each programme The guidelines have been issued by the Planning Commission, Govt of India for centrally sponsored schemes. For State sponsored schemes ,however, the concerned secretariat has issued such guidelines. Some of the important rural developmental programmes are Swarn Jayanti Gram Swarajgar Yojna, Indira Awaas Yojna, Sampoorna Gramin Rozgar Yojna, Drought Prone Area Programme, Integrated wasteland Development Programme, Ambedkar Vishesh Rojgar Yojna, Pradhan Mantri Gramodaya Yojna, Pradhan Mantri Gram Sadak Yojna, Border Area Development Programme, Rastriya Sam Vikas Yojna and a few other centrally sponsored schemes.

Time to time, the Central and State governments have also evaluated the developmental programs and even guidelines have been updated and revised. But at the implementation level there are socio-political hurdles which need to lessen in order to obtain the targets. Rules may also needs to be simplified which may reduce bureaucratic delays in programme implementation. Coordination among various departments is also imperative for fast execution and success. Panchayati Raj institutions may be made transparent in order to solve problems at the local level. Emphasis may be given on deciding priorities at the local level. Local planning may be cost effective also. Regional balancing is equally missing during target setting and fund allocation. This needs to be corrected through inter departmental coordination . Establishment cost may also be reduced and rationalized time to time. Mere formation of SHG may not be helpful SHGs may be supported with motivation and basic infrastructure and liberal credit with due screening of cases.. This will enhance success rate of beneficiaries. After construction of awaas there should be quick distribution to beneficiaries. This may reduce maintenance cost as well.

The Tenth Plan has fixed the target of generation of employment up to 6422414 man days through the above programmes out of which 2573245 was generated in 2002-03 and 3392757 in 2003-04.Hence this way again target of the tenth plan has been fully achieved during the first two years of the annual plan. It means lower target might have been fixed in the tenth plan document. This needs to be revised. Similarly it has been observed that the task of construction of

multipurpose Panchayat Bhavan has also been realized during the first two years of Tenth plan. This also shows underestimation of the target. It may be construed that the above programs have been very successful for generation of rural employment and also for creation of infrastructure. The backlog of unemployment in 2004-5 is 25 lakhs person. The total under employed in the state has been estimated 99 lakhs

In Tenth plan the Government should try to concentrate on release of central fund, full utilization of allocated fund, identification of right beneficiaries, reducing gap in target and achievement, putting right targets without any under or over estimation, focus on grass root planning, bureaucratic efficiency, perfect prioritization, centre- state coordination, coordination among state departments, planning of gainful employment, road and communication connectivity, rural investment, credit and marketing including storage and infrastructure, prompt implementation of programs and establishing vocational training centres in rural region especially in the Indo-Nepal border. Private investment in rural area should also be encouraged. It has also been observed that funds for several backward districts are not made available in time. It needs to be checked in the remaining years of the plan.

7. *Industrial Development*

Industry is one of the important sectors, which facilitates and determines the growth of other sectors of the economy through forward and backward linkages. Therefore, it would be proper to evaluate the pace of the development of this sector in the middle of the Tenth Five Year Plan. With this objectives this chapter focuses on the strength of the industrial base and yet pervasive backwardness in industrial sector. Reasons of backwardness have *inter alia* been identified in terms of political instability, shift in priorities from industry to lip service in social sectors, gap between outlay, allocation and utilisation of resources, low public investment, less developed infrastructure, low power consumption, lack of modernisation, pervasive traditional methods and technology of production and lower participation rate of workforce in this sector. This syndrome continued even in the Tenth Plan also. Agreed Plan outlay for this sector was further reduced. Annual allocation, which was further deserted, remained disappointing. If this pattern is continued for remaining two years, industry may land up in worse situation contrary to high hopes of attaining 12 per cent rate of growth in this plan. Initiatives to establish new units to SSI and generation of employment for annual targets of this Plan have almost been achieved. However, per unit investment and employment generation in KVIC has been declining. Situation of achieving targets of employment generation in the case of handloom sector is even worse. Sericulture appears directionless. Under medium and major industries many ambitious initiatives have been launched for industrialisation including many special economic zones. But the allocation of resources towards these targets appears quite disappointing and one can hardly expect any significant progress in such a speed during the Tenth Plan. Therefore achieving target of 12 per cent growth rate in this sector is an unattainable dream away from the ground reality. This indicates absence of coordination between Planning and Industry Departments, which needs to be addressed.

8. *Urban Development and Poverty Alleviation*

Witnessing high growth in urban population in U.P. in recent census 2001 has compounded challenges before the housing, urban development, and employment and poverty alleviation programmes during the Tenth Plan. Addition of dwelling units remained a challenge amidst non-availability of funds in the first two years of the Plan. National Capital Region, Nagar Vikas Yojana, and Integrated Development of Small and medium Towns, are the major programmes for urban development. But disproportionate and skewed allocation of resources away from the basic priorities prevailed. In order to address the issues of urban employment and poverty alleviation, Swarn Jayanti Shahari Rojgar Yojana (SJSRY), and National Slum Development Programme (NSDP) have been in operation. SJSRY has many components of self and wage employment, training and rehabilitations of urban poor. Plan outlay for these schemes have been lower than that of the Ninth Plan. Moreover, gap between outlay and proportionate annual allocation remained in the case of SJSRY also. A great deal of systematic and transparent efforts are required to make the impacts of these schemes visible on urban poor.

9. *Infrastructure Development*

Infrastructure can be broadly classified into physical, social and financial category, where all are economically desirable for the development of an economy. Physical infrastructure is largely consists of irrigation, power, transport, telecommunication, water supply etc. However, this category of infrastructure has direct impact on enhancing production through external economies. On the other hand, social infrastructure through enrichment of human resources in terms of education, health, housing, recreation facilities etc. improve the quality of life. Finally financial infrastructure, such as banking sector, postal and tax capacity of the population represents the financial performance of the state. All the three categories of infrastructure not only enhance production and consumption directly but also create many direct and indirect externalities. Keeping in mind the linkage between infrastructure and economic growth, it is necessary to evaluate the performance of these infrastructures for economic development during the 10th plan in the state of Uttar Pradesh. However, we are here only concentrating the role of physical infrastructure for the development of the economy. Moreover, considering the constraints in the availability of data and other related information, we shall be able to focus on irrigation, power and transport within the physical infrastructure.

Irrigation

The proportion of net irrigated area to net cropped area has increased from 36.12 percent in 1966-67 to 54.89 percent in 1980-81, again increased to 73.70 percent in 2000-01 and 76.30 percent in 2001-02. However, the net irrigated area by private sources such as private tube-well/pump sets constitute nearly 87.09 lakh hectares, which is 68 percent of the net irrigated area, whereas major and medium sources through canal irrigation possesses at 27.19 lakh hectares, which is nearly 21 percent of the net irrigated area. It is observed that there has been disproportionate growth of irrigation by sources and disproportionate distribution public investment in various five year plans among sources. The proportion of actual expenditure on irrigation and flood control out of total planned expenditure during 9th and first three years of 10th plan was almost remained constant. The irrigated area under various sources shows an increasing trend over the years. However, both the potential and utilization of potential has increased continuously during the 9th plan as well as first

three years in the 10th plan. It may aptly summarized that the biggest single malady in the major and medium irrigation sector right from first plan has been the continued tendency to start more and more new projects resulting in wanton of proliferation of projects, thin spreading of resources and consequent time and cost overruns. Land degradation due to water logging and salinity/alkalinity becomes a serious threat to the development of agriculture in the state. Similarly, state planning commission has estimated nearly 14.93 lakh hectares of salinity and water logging, which is nearly 6 percent of the reporting area are spread over the state. However, state planning commission has estimated nearly 14.93 lakh hectares of salinity and water logging, which is nearly 6 percent of the reporting area are spread over the state. The water use efficiency in most irrigation systems is low in the range of 30 percent to 40 percent as against an ideal value of 60 percent. There has been steady decline in water table in recent period in several parts of the state, on account of, over exploitation of ground water and insufficient recharge from rain water. It is accounted nearly 10 percent of the reported area has been reckoning under semi and critical area in the state.

Energy

The role of energy is considered as one of the important indicators for economic growth of an economy. However, the per capita power consumption, percentage of electrified villages, percentage of electrified households (both rural and urban), and electricity consumption per industrial unit are some of the true indicators for measuring the economic prosperity of the state since the inception of the planning process. This is evident from the fact that the per capita consumption of power in 1998-99 was 195.58 Kwh in the state against all India averages of 359.57 Kwh. The state is ranked 15th among selected major 18 states in the country in connection with per capita power consumption. In addition, electrification to rural areas is also considered as an important economic variable for the development of an economy. In this regard, Uttar Pradesh stands 11th position among some of the major states, as 79 percent of the villages are electrified in Uttar Pradesh as against 86.3 percent at all India level in 1999-2000. Moreover, electrification of the households in the electrified villages shows the true picture of the economic strength on an economy. In this regard, Uttar Pradesh stands as one of the backward states at all India level. The latest data shows, only 20 percent of the rural households in Uttar Pradesh as against 44 percent at the all India level are electrified. This may be attributed due to heavy demand and supply gap, lack of proper renovation and modernization activity, huge distribution and transmission losses and lack of sufficient stand on tariff reforms.

Transport

An efficient transport system is pre-requisite for sustained economic development. It plays crucial role in promoting national integration, increasing productivity, enhance the competitive efficiency of the economy in the world market, the development of backward regions and integrating them with the main stream economy by opening them to the trade investment. However, roads per one lakh population and per 100 square kms area are some of the true indicators for measuring the strength of transport sector in the state. This is evident from the fact that roads maintained per one lakh population are 57.3 kms in the state against all India averages of 82.5 kms: The state is ranked 12th among selected major 18 states in the country in connection with this indicator. In addition, roads maintained per 100 square kms area is 30.8 kms as against 23.7 kms at all India level. In this regard, Uttar Pradesh stands 6th position among some of the major states, as Punjab has 92.2 kms and Kerala has

53.5 kms. This may be attributed here that there exist huge supply and demand gap, regional disparity in the road construction, low maintenance standards, no better regulatory framework and environmental pollution in the transport sector.

There is a need for reallocation of budget for increasing the share of irrigation out of total planned expenditure in the years to come. The existing projects should be completed in order to achieve the full benefits. It may be suggested that there is a need for reallocation of budget to maintenance and repair works and reduction of expenditure on direction and administration. In order to promote human health, there is urgent need to prevent contamination of ground water and also promote and develop cost effective techniques for purifying contaminated ground water for use in rural areas. It is strongly recommended to go for a conjunctive use of surface and groundwater and use adequate quantity of groundwater from the tube-well irrigation so that the pre-monsoon ground water level should be around 10 meter below the land surface in such places where canal irrigation is in vogue.

There is a need for reducing the gap between demand and supply of power by increasing the generation, reducing transmission and distribution losses and developing better energy conservation techniques and demand side management. However, some of the suggestions are important. Illegal tapping and meter tampering can be eliminated by using under ground cables. Transmission losses can be reduced by a changing over to 400 KV transmission voltages. Resistive losses can be minimised by using cooper conductor in the place of aluminium cables. Drip Irrigation would save water consumption and watershed development would raise water level. Farmers would then need to use smaller pumps and then low power consumption. Six major industries such as Aluminium, Fertilizer, Chemicals, Steel, Petrochemical and Refineries consume nearly 65 percent of the power consume in the industrial sector. This would induce to reduce energy consumption according to international norms of "energy cost of per unit of output".

Transport sector can be effectively managed by reducing the demand and supply deficits, ensuring the transport growth in all regions of the state, augmenting capacity, upgrading technology to improve quality and productivity, emphasising on higher maintenance standards, generating internal resources through rationalising prices and user charges and increasing participation of private sector, and introducing better regulatory framework in order to curb the distortions like sunk costs, presence of externalities, etc. To develop an adequate transport data base comprising traffic flows and costs, this must be systematically collected and updated. However, both physical and financial viability of the UPSRTC can be improved by increasing the occupancy rate without declining the comforts and efficiency. Looking for avenues to earn non-traffic revenues, bus staff ratio can be reduced. The corporation can do away with the over aged buses on regular basis, as they consume excess fuel and its concomitant repairing and maintenance costs is also very high.

It is revealed clearly that if the goals of enhancing economic growth and reduction of poverty, inequality and regional disparity are to achieve in the state, government has to make bold and alternative policy for raising investment in infrastructure sector such as irrigation, power and transport for better output level.

10. Social Sector Development – Education, Health, Population Planning, and Voluntary Sector

In the changing socio-economic conditions globally, greater emphasis is being laid upon the social sector development where the concept of absolute poverty to reflect social sector development is getting obsolete. This requires institutional reforms, decentralisation and increasing role of voluntary agencies to implement the development programmes at the micro level. In fact human development requires better and participatory delivery mechanism. Although much emphasis on education is being laid the progress and prospects in terms of quantity and quality at all levels (primary, middle, higher and technical) is not taking place at desired pace. Similar is the trend of the health sector. Resources are also acting as constraints in this direction. Population and demographic profile of the state can not be improved in short period. However, there must be some visible parameters to suggest the remarkable improvements in the medium term perspective. Irony is that we do not have proper strategy and infrastructure in this regard. With regard to voluntary agencies, it can be stated that there is no proper pool of information to monitor their participation and achievements. However, realising their overwhelming dependence on the government funds, a watchdog body for them becomes indispensable. Now in the changing perspectives, planning system of the state needs to be restructured where gradually it has to act as efficient perspective planner with equally efficient coordinator in the short run to get the desired objectives fulfilled.

11. Empowerment and Social Justice

Initiatives for empowerment of the weaker and historically disadvantaged section of the society including minority and women are the main thrusts of the Tenth Five Year Plan.

Women

Females with 47.33% of total population constitute 7.86 crore in Uttar Pradesh as per 2001 census. Sex ratio has increased from 876 to 898 since last decade, although it is still lower than sex ratio at national level, which stands at 933. Figures of female literacy rates also show a poor record that is 42.2% for female literacy against 68.8% male literacy in Uttar Pradesh. In worker population ratio, women comprise only 16.3% of the aggregate, against 47.4% male ratio in 2001. Index on reproductive health places (RPI) Uttar-Pradesh at the bottom with score of 22.8.

For women welfare sector, during tenth plan period 2002-07 total outlay stands for Rs. 30.00 crores. For first annual plan i.e., 2002-03 it was Rs. 7.10 crores against which total expenditure was Rs. 4.22 cr. In 2003-04 expenditure was Rs. 9.25 cr. Though the outlay was Rs. 13.03 cr. For annual plan 2004-05 has provided an outlay of Rs. 14.22 cr. Tenth plan is specific and more focused on women welfare as it is aimed to treat development programmes with gender sensitivity. Government is aimed to tackle more deprived women on priority level by providing social security through grant-in-aid schemes. Maintenance grants of Rs. 125.00 pm is provided to destitute women living below poverty line. In non-plan expenditure 457994 women are being converted. In addition 36591 women were selected from Ambedkar villages during 2002-03. For 2003-04 period proposed outlay for the scheme was Rs. 552-52 lakh Grant-in-aid is also provided up to Rs. 10,000.00 for marriage of widows' daughters. For 2003-04 outlay was proposed of Rs. 19.00 lakh. Scholarship is also provided to girls of general category, who are pursuing higher technical and

professional courses living below poverty line. Amount of scholarship is ranging from Rs. 50.00 to Rs. 425.00 pm. During 2003-04 outlay was proposed of Rs. 19.00 lakh for this purpose. Provision is also made for construction and maintenance of Old Age Homes and Children Homes. These homes provide services like accommodation, medical facilities and opportunities for occupation as well. During 2003-04, Rs. 18.48 lakh was proposed as an outlay.

Decision-making as well as financial assistance are incorporated with the active participation in project Swashakti. It is aimed to form Swashakti groups i.e. self-help groups, in which 10-20 members are included. Target group is provided financial assistance in the form of short-term loan on low interest rate. This is a centrally sponsored scheme for improving quality of life of strata living below poverty line. Project is working in 18 districts. Implementation is being done by the UP women development corporation and UP land Development Corporation. More than 5200 groups have been formed. Decision-making as well as financial assistance are incorporated with the active participation in project Swashakti.

SCs and STs

Decennial growth of SCs population is always higher than that of total population in the state. SCs population constitutes nearly 21 percent of the total population through out the planning era. Literacy rate of the SCs is substantially lower than that of total population. Moreover, literacy rate of both male and female within SCs is also low to the corresponding male and female literacy rate of the total population. Female literacy rate is nearly $\frac{1}{4}$ of that of male within the SCs category and nearly $\frac{1}{3}$ of female in the total population category. Based on latest available information, population below poverty line in general and SCs in particular, score of UP remained always higher than that of all India level, which indicate seriousness of poverty for SCs category. Though the SCs constitute nearly 21 percent of the total population, yet the share of land holding (ownership in number) to total holding is only 16 percent and in area wise, it is only 10 percent. It is evident from the fact that nearly 82 percent of SCs workers are engaged in primary sector, where as it is nearly 70 percent for general workers. In other words, nearly 18 per cent of SCs workers are engaged in both secondary and tertiary sector, whereas 30 per cent of the general workers are engaged on both the sector.

STs Population constitutes nearly 0.1 percent in 2001 and decennial growth rate is lower than that of total population. Literacy rate of STs is always lower than that of total population. Nearly 85 percent of STs engaged in primary sector and only 15 percent occupy in both secondary and tertiary sector. Nearly, 70 percent of total ST main workers are cultivators, 13 percent are agricultural labourers and rest 18 percent are non-agricultural labourers. However, nearly 66 percent Sts population live below the poverty line in 1993-94 in UP, whereas it is 57 percent at all India level.

The budgetary allocation under state plan, the expenditure out of total outlay was nearly 91 percent in 9th plan, whereas it increased to 99 percent during 2002-03. The situation under special component plan (SCP) does not look bright, as only 56 percent of the outlay was spent during 9th plan, and it was 49 percent and 46 percent during 2002-03 and 2003-04 respectively. However, the share of SCP out of state plan outlay has increased from 19 percent in the 9th plan to 21 percent in 2002-03 and it remained constant at 21 percent 2003-04. On the other hand, the expenditure under SCP as a proportion to state plan has declined from 12 percent in 9th plan to 10

percent in 2002-03. Under state plan, the ratio of expenditure to outlay for STs similar to that of SCs, whereas under tribal sub-plan the ratio of expenditure has declined drastically from 62 percent in 9th plan to 6 percent in 2002-03 and 44 percent in 2003-04. However, TSP as a proportion to state plan varies from 4 percent to 7 percent during this period. Under Special Central Assistance (SCA) programme, there has been satisfactory performance between budget sanctioned and utilised. During the first two years of 10th plan shows nearly 132 percent and 94 percent of the budget sanctioned was utilised respectively.

Some corrective measures are necessary for the betterment of women. Preferential planning for women can be considered as the most significant feature, which may provide positive feedback to women empowerment. Because empowerment differs from welfare in the sense of vibrant participation, measures regarding the policy mentioned above should be emphasized.

Either it is development programmes in general or women special programmes in particular, education and health have correctly been observed as basic areas for policy initiatives in the Tenth Five Year Plan. Both are big challenges for deprived class and especially in remote areas. But, our point is to mention education and health in process irrespective of output and outcome. In other words, measures regarding both these resources should be compiled with specific periodical training schedule, so that it can move in self-propellant way.

As regard to health specific measures, integrated approach has been applied in first three annual plans. The approach seems prolific in principle but in practice it is too much complex. There is a need to make cross verifications so that implementation can be made beneficial the same way.

As far as socio-economic measures are concerned, participation has increased through SHGs, etc., no doubt, but there is need to facilitate this process with proper training schedules by committed and specially trained personnel in which, approach must be integrated, i.e., from proper utilization of fund to storage and marketing facilities as well.

What seems more hampering is the lack of proper fund and committed staff. The need of hour is to make corporate socially responsible so that fund may be raised through private enterprises as well, while NGOs provide better options for committed staff.

Social justice is still far away. Only increased participation associated with training can provide practicable solution. Before initiation of any programmes in a given area, consciousness boost up initiatives are required not only for SCs, STs, and OBCs but also for general population so that space for acceptance may be created.

Development process has become more delicate and fragile once we focus on tribal development. Most significant point is to remember that this section requires specially designed programmes associated with their felt need. Nothing can be done in hasty manner, as for them development is not just empowerment but firstly it demands for commitment to transcendence. It may lead to their socio-economic and cultural confusion in lack of proper seriousness.

12. Plan Financing, Resource Mobilisation and Private Investment

Since the early nineties there has been a sharp decline in the plan expenditure as per cent of NSDP, which is also reflected in deteriorating fiscal situation and sharp decline in growth rates. However, the plan expenditure ratio has marginally increased during the Tenth Five Year Plan. The ratio remains below the levels reached in the

early seventies. The economic slow down and fiscal crisis in the state are deeply interlinked. Low plan expenditure lead to low growth which in its turns reduces the growth in the government revenue. This further constrains the capacity of the state to increase plan expenditure, thus trapped in the vicious cycle. It is imperative to substantially raise the ratio of plan expenditure to SDP if growth rates are to be boosted up to meet the targeted growth rate.

Apart from the decline in plan investment levels in relation to SDP the quality of public expenditure has sharply deteriorated. Thus, capital expenditure constituted only 7-8 percent of total government expenditure (plan and non-plan) in the nineties. Revenue expenditure now accounts for nearly half of the plan expenditure. Thus, even the plan expenditure is not contributing much to the expansion of the productive capacity in the state. For accelerating economic growth the capital content of government budget needs to be improved which will help in developing infrastructure in the state and attracting private investment.

An area of concern is the large and growing gap between plan outlays and plan expenditure. This reflects poorly on the ability of the government departments to fully utilise the plan allocations. Total plan expenditure in the first three years of the Tenth Plan will not exceed 40 per cent of the plan size. Thus, in the remaining two years of the plan determined efforts will have to be made to substantially increase the annual plan expenditure. Serious attention needs to be paid to identify the reasons for non-utilisation of plan funds and ensuring that plan outlays are fully utilized.

Looking at the pattern of plan financing, we find that in the first two years of the Tenth Five Year Plan negative BCR has exceeded the proposed BCR for the full plan. On the other hand, market loans have exceeded the proposed amount for the full period, whereas about 40 percent of PF and small borrowings have been utilized. Thus, while state's own contribution has been less than the proposed contribution, its dependence on borrowed sources of funds has exceeded the targets. The state is relying upon borrowing to finance its share of plan expenditure mainly in the form of borrowings against national small saving schemes. Central plan assistance, which had a loan component of 70 per cent, also leads to an increase in the indebtedness of the state, which is very high.

Taking the central government plan loans and other borrowings of the state government, we find that almost three-fourth of total plan expenditure in the state is being financed through borrowing and the remaining one-fourth through central grant. The plan expenditures are thus contributing to the increase in the public debt of the state, which is already very high. The situation is all the more worrisome because of the fact that almost half of the plan expenditure is in the nature of revenue expenditure, which is not likely to generate resources for repayment of the loans.

As a result of the continuous reliance on borrowings to meet state expenditure the indebtedness of the state has sharply increase both in the absolute and the relative terms. Total debt of the state government is projected to touch the figure of Rs. 1,30,000 crore. The ratio of debt to SDP in U.P. at over 50 per cent is the highest among Indian states. Debt servicing ratio to revenue receipts was as high as 46 per cent during 2004-05. Interest payment alone now amounts to almost 30 per cent of the revenue expenditure, thereby, squeezing the capacity of the state to spend on priority sectors.

The present debt levels are clearly not sustainable. The state government is required to take firm and time bound measures to raise its resources and reduce the dependence on borrowing to finance its plan and non-plan expenditure. It is welcome to note that the state government has passed a Fiscal Responsibility and Budget

Responsibility Act in 2004. What is needed is that the government should strictly adhere to the fiscal targets laid down in the FRBM Act.

The Twelfth Finance Commission has proposed a scheme of debt relief to states through debt rescheduling and debt write off. However, to benefit from the debt write off scheme U.P. Government will have to make determined efforts to reduce its revenue deficit.

The system of central assistance will undergo a change from the year 2005-06 following the recommendation of the Twelfth Finance Commission to stop on lending to states by the centre. The state government has now to gear itself for meeting the challenge of the new debt regime. It will have to go to the market for borrowing. The whole approach to plan financing has to undergo a change. Borrowing should be restricted to the economically and financially viable and bankable projects. There is no escape from mobilization of additional resources through non-debt sources to meet the expenditure requirement of the government for plan and non-plan purposes.

Tax/SDP ratio continues to be very low in U.P. After registering an increase of about 0.75 per cent points in 2002-03, tax/SDP ratio has stagnated at around 6.3 per cent. The ratio of non-tax revenue to SDP, which was slightly less than 1 per cent, has declined further. The recent roll back in user charges in education and health sector had an adverse impact on state finances.

If the targets of reduction in revenue and fiscal deficits laid down in the FRBM ACT have to be met, a bold strategy of resource mobilization through tax and non-tax sources has to be adopted along with a restrain on the growth of non-development expenditure.

The Tenth Plan was based on the premise that 60 per cent of investment during the plan period will come from the private sector. Sufficient data to analyse the trends in private sector investment are not available. However, an analysis of loans by commercial banks and other financial institutions reveals that the situation is far from satisfactory. The growth in bank loans was 15.5 per cent in 2002-03, but sharply fell next year to only 1.4 per cent. The growth in bank credit has in most of the years fallen short of the growth in bank deposits. This is reflected in the decline in credit-deposit ratio, which is hardly around 30-31 per cent much behind the national average. These trends are indicative of the relatively low volume of economic activity in the state and its inability to utilize the savings beings generated in the state. Concerted efforts are needed to improve the credit-deposit ratio in the state.

The share of U.P. in total loans disbursed by financial institutions has sharply declined from around 8 per cent in the mid-nineties to less than 4 per cent in the late nineties and stood at a paltry 3.17 per cent in 2002-03 and only 1.89 per cent in 2003-04. These figures are indicative of the poor investment climate in U.P.

Proposed corporate investment registered a decline between the years 1996-97 and 2000-01, but shows signs of picking up after that. Between 2001-02 and 2003-04 proposed investment jumped by as much as Rs. 20,000 crore. This is, however, not reflected in the actual investment as the rate of implementation shows a decline from around 47 per cent to around 36 per cent over this period. If the proposed investment fully materializes it will make a substantial impact on the state economy. Efforts should be made to identify the factors that are retarding the pace of implementation of proposed projects and to remove them expeditiously.

U.P. is attracting a very paltry amount of investment by domestic and foreign investors. As on August 2004, the number of projects being implemented in U.P. was 438 involving an investment of Rs. 18,098 crore, amounting to 7.8 per cent and 9.5 per cent respectively of total projects and investment in India as a whole (Table 18).

However, during 2003-04 U.P. share in IEMs was only 5.62 per cent and that of investment only 1.4 per cent.

U.P.'s share in foreign direct investment is even less. U.P. attracted only 38 FDI proposals during 2003-04 involving an investment of Rs. 102.32 crore. Thus, the number of proposals and investment involved were hardly 2.0 per cent and 1.5 per cent of all India proposals and investment respectively. This indicates that the efforts to attract outside investment to U.P. are not showing the desired results. An in-depth analysis of the factors involved is urgently called for.

To conclude, if the goals of stepping up economic growth and reduce poverty are to be met Uttar Pradesh, government has to make bold and imaginative efforts for raising investment in infrastructure and other priority areas in the public sector and to attract large private domestic and foreign investment.

13. Governance and Reforms

Governance and reforms acquired important position in the arena of development debates with political, economic, and administrative dimensions. Many reform measures to improve governance in order to speed up the pace of development have been initiated in terms of policies, programmes and implementations. Certain positive results have also been witnessed but still there is a long way to go. Gaps between policies, programmes and implementations need to be bridged up. Imperative need of the hour is to evolve a clean and competent political management, efficient, honest and accountable bureaucracies, transparent and sensitive judiciary and administration with compassion and outreach, sound and equity oriented economic and fiscal policies, ethics led business, rule of law, strong democratic and decentralised institutions for participatory development and informed citizenry, so that state of U.P. may move ahead amidst the challenges of globalisation, free market corruption, poverty and disparity.

CHAPTER I

INTRODUCTION

The Tenth Five Year Plan has been initiated for five years with the beginning of the new financial year in April 2002 to March 2007. The plan underlines the objectives to improve the quality of life and reduce inequality and regional disparity with a target of 8 per cent growth rate of the economy. Towards achieving this goal, a set of priorities has been fixed. The Plan has accorded highest priority to agriculture followed by economic infrastructure, so that productive and remunerative employment in different sectors of the economy can be generated to address the issues of unemployment and poverty. Moreover, in order to speed up qualitative transformation of demographic structure, dimensions of social development - measures to control population and infant mortality, illiteracy, safe drinking water and health care particularly for underprivileged and historically disadvantaged sections of the society have been placed on higher priority list to ensure the best and optimal use of resources amidst difficult fiscal situation. Three consecutive financial years have been completed. It is time to look back and make an appraisal of the progress made so far.

Objectives

Basic objectives of this Mid Term Appraisal of the Tenth Five Year Plan are to assess the progress in different sectors of the economy in terms of targets set in the plan and indicate further possible action and corrective measures towards achieving the targets. The assessment of the targets can be done in the light of constraints and challenges identified in the plan document for the growth of the economy. Reference point for the assessment may be *inter alia* identified priorities and objectives of the plan, resource allocation, investment pattern and requirement and status of its mobilization and physical targets set in the plan proposal. However, the study proposes to assess whether the overall economy of the state is developing in the desired direction and the targeted investments are being made accordingly. The deficiency in the physical targets can be ascertained and correcting measures would be suggested for the overall development of the economy. More specifically, the objectives will be to analyze the following aspects: Whether,

1. The targeted growth of overall economy (SDP) and its different sectors – primary, secondary and tertiary has been achieved;
2. The productivity in agriculture along with diversified and mixed farming particularly for small and marginal farmers has been improved;
3. Industries having better employment potential in rural and urban areas are promoted and protected;
4. Faster development of backward areas has reduced inter-regional disparities;
5. Social and economic infrastructures have been improved;
6. Poverty - rural and urban poverty - has been reduced;
7. The quality of life in general and poor in particular has been improved.

Monitor-able Targets

In order to make some kind of specific reference, regarding targets and achievements, the Tenth Five Year Plan (GoUP, 2002: Vol I, p. 61) has set following a few monitor-able targets:

1. Reducing the population below poverty line from 31.5 per cent to 25.41 per cent.
2. Creation of 81 lakh employment opportunities during the Tenth Plan which would be sufficient to provide jobs to the backlog of unemployment at the end of Ninth Plan and to the additional labour force.
3. Providing schooling facility to all the children by 2003.
4. Giving emphasis on female literacy to reduce the present gender gap (27 per cent) in literacy.
5. Reduction in the present birth rate of 32.1 per thousand to 22.0 per thousand.
6. Reduction in the present death rate of 10.2 per thousand to 9.0 per thousand
7. Reduction in present infant mortality rate of 84 per thousand to 72 per thousand
8. Efforts will be made to achieve at least 75 per cent literacy
9. All basties to have sustained access to potable drinking water
10. Emphasis on women empowerment
11. Organising and promoting self – help groups
12. Expending and strengthening the social safety net.
13. All habitations having population more than 500 to be connected with all weather road under PMGSY

14. Optimum utilisation of resources through convergence of programmes of various departments
15. All villages to be electrified under PMGY
16. Making local bodies self reliant through decentralisation process.

Methodology

This assessment is mainly based on the official data collected from the concerned departments and relevant secondary sources, viz., various published documents of the Government of Uttar Pradesh and individual researches. Subject to the nature of data appropriate quantitative methods and techniques have been applied for the precision of the analysis of the data. In order to ensure wider acceptability of the study, feed back on preliminary draft of the study was sought from experts and concerned department and officials on the draft chapters in a workshop and modifications on the basis of feed back have been incorporated for finalising this exercise.

Limitation

As mentioned in monitor-able targets specific data on different aspects have certain time lag and therefore it was not possible to get such data for evaluation unless an alternative arrangement to generate data is made by the state on regular basis. For example data on birth rate, death rate, infant mortality, literacy, etc. In many cases, data are not available for example data on poverty, employment, private investment, etc., and therefore the gaps remained in analysis as well. Private investment although is one of the terms of reference for this study, it could not be analysed for want of proper data. This needs a separate exercise to be commissioned on regular basis for the purpose. Coordinating various agencies for data remained very difficult and finding time from experts from their preoccupations to get their academic inputs for this study was also not an easy task. Therefore, the deadline to complete the study could not be met. Feedback from the Planning and other Government Departments are important. This gives us hope that if Government Departments may be requested for major initiatives to fill up the data gaps and they will be sensitive to generate and also comply data, in future the data gap will be minimised. Needless to mention that contributions for this study is undoubtedly collective but the limitations either to coordinate this exercise or synthesise are personal.

Outline of Study

This study has been divided into thirteen chapters. Beginning with executive summary and followed by an overall review of the economy of Uttar Pradesh, the study covered sector wise development of the economy. The assessment has also covered financial availability and investment pattern of the economy. The achievements in the plan targets for the principal economic sectors like agriculture, industry, infrastructure: irrigation and flood control, power, transport, etc., have been analyzed in this exercise besides infrastructure development and progress made in social sectors viz., education and health, water supply, sanitation, etc. The study attempted to analyze the extent of reduction of poverty and unemployment, progress in implementation of various development programmes and achieving social justice and empowerment. Important areas such as welfare of Scheduled Castes and Tribes, OBCs, labour and employment, social security and welfare and nutrition, etc., have been discussed. Broad conclusions and remedial measures have been suggested for various sectors in concluding chapter. An executive summary has also been prepared for handy circulation.

Executive Summary

Executive summary of this study is an attempt to recapitulate and thread in major points emerging out of this study for policy implications. Generally, gaps between outlay and expenditure has emerged imminently in almost all of the chapters. Lower growth rate added with widening regional disparity and poverty, neglected and stagnating agriculture, lack of substantial investment – public and private, slower pace of industrial development, gaps in vision and implementation of schemes for rural development, growing urban population and indifference towards urban planning, high priority to social sectors but lower allocation despite having provisions in plan outlay, alarming financial situation, mounting dependence on borrowing and gaps in policies, programmes and implementations expecting people friendly decentralised governance remained the essence of this exercise. Many suggestions have been thrown up for corrective measures to restore environment of growing economy leading towards social justice, employment, reduction of poverty and disparity.

Economy of Uttar Pradesh: An Overview

This chapter has briefly discussed broad features of the state economy, which includes overall and sectoral growth performance, various dimensions of agricultural development, crop wise production and productivity, credit and insurance, infrastructural development particularly status of irrigation, industrialisation, micro and small enterprises, investment and growth linkages, allocation and utilisation of resources, growing challenges of unemployment and poverty, fiscal deficits and mounting debt burden. This chapter has brought out the fact that low productivity in agriculture remained a major challenge amidst vagaries of monsoon. Implementation of various programmes and decelerating growth rate of the state economy added with increasing unemployment and poverty need to be addressed effectively. Fiscal constraints and efficiency added with gaps in outlay and allocation resulting into under utilisation of funds for different schemes remained the issues of major concerns. In view of the importance of the subject, these issues have further been analysed and elaborated in respective separate chapters.

Regional Disparity

One of the major objectives and target set for the Tenth Five Year Plan is to reduce regional disparity. Chapter on regional disparity deals with various dimensions in terms of demographic structure, social development, infrastructure, agriculture and industrial development, income disparities, and intra - regional disparities. This chapter also includes area development programmes during Tenth Five Year Plan such as Rashtriya Sam Vikas Yojana, Poorvanchal Vikas Nidhi and Bundelkhan Vikas Nidhi. Analysis of this chapter could identify a few important reasons for regional disparities such as, lack of industrialisation in backward regions, inadequate irrigation facilities in eastern and Bundelkhand regions, large flood prone areas in the eastern region, largely rain-fed agriculture in Bundelkhand region, and low cropping intensity and concludes that despite many efforts intra-regional disparities appeared to have widened over time.

Agriculture and Allied Activities

Agriculture remains mainstay for the workforce of the economy of Uttar Pradesh, which attaches significance of the development of this sector. Chapter on Agricultural Development and Allied Activities brings out the fact that agriculture sector has not been

performing satisfactorily for want of sufficient public investment, lack of proper infrastructure, allocation of sufficient resources and their effective utilisation. This syndrome led to passivity in this sector and resulted into low productivity, negligible diversification, lack of modernisation and proper extension services, and weak infrastructure support. Even livestock census does not indicate any encouraging results. However, there have been positive indications in fish production. If this situation continues further, this sector will not be able to achieve its targets in remaining years of the Tenth Plan.

Industrial Development

Industry is one of the important sectors, which facilitates and determines the growth of other sectors of the economy through forward and backward linkages. Therefore, it would be proper to evaluate the pace of the development of this sector in the middle of the Tenth Five Year Plan. With this objectives this chapter focuses on the strength of the industrial base and yet pervasive backwardness in industrial sector. Reasons of backwardness have *inter alia* been identified in terms of political instability, shift in priorities from industry to social sectors, gap between outlay, allocation and utilisation of resources and low public investment, less developed infrastructure, low power consumption, lack of modernisation, pervasive traditional methods and technology of production and lower participation rate of workforce. This syndrome continued even in the Tenth Plan also. Proposed Plan outlay for this sector was further reduced in agreed plan outlay. Annual allocation remained disappointing. If this pattern continues for remaining two years, industry may hardly achieve its unrealistic target of 12 per cent growth rate. This indicates absence of coordination between Planning and functioning of Industry Departments, which needs to be addressed.

Poverty and Unemployment

Chapter on Poverty and Unemployment was devoted to analyse official data which suggest that the level of poverty has declined significantly in U.P. but relative position in terms of share of poor in U.P. with respect to India has increased. Majority of poor stays in rural areas. Further regional break up indicates that central U.P. has highest concentration followed by eastern U.P. Moreover, OBCs and SCs constitute highest concentration to the tune of 47.6 and 34.6 per cent respectively. There is hardly any

difference in the level of poverty between Hindu and Muslim in rural areas but there has been significant difference in urban areas where Muslims are more poor than that of the Hindu.

Rising open as well as disguise unemployment is another concern that emerged from the analysis of this chapter. Sharp increase in marginalisation of workforce indicates deteriorating quality of employment. Agriculture still remains the mainstay but shift in occupation towards non-agriculture has also been found. Decreasing number of unemployed in live register of employment exchange does not necessarily indicate decreasing unemployment. It might suggest indifference of educated youth for inconsequential registration for employment in organised public sector. In view of the disappointing and jobless growth, situation of unemployment would have aggravated further.

This chapter suggests to expedite necessary measures for achieving growth to higher level, identify labour intensive opportunities for public and private investment, improve social infrastructure, enhance capabilities of poor, strengthen social security measures, create income generating assets, diversify agriculture, initiate and strengthen special drive for employment of weaker section, and involve local bodies in implementation of the employment and anti poverty programmes.

Rural Development and Poverty Alleviation

Chapter on Rural Development and Poverty Alleviation presents scheme wise assessment of important rural development programmes and their physical and financial targets and achievements. This exercise mainly includes Swarn Jayanti Gram Swarajgar Yojna (SJGSY), Indira Awaas Yojana (IWY), Sampoon Gramin Rojgar Yojana (SGRY), Drought Prone Area Programme (DPAP), Integrated Wasteland Development Programme (IWDP), Ambedkar Vishesh Rojgar Yojana (AVRY), Pradhan Mantri Gramoday Yojana (PMGY), Pradhan Mantri Gram Sadak Yojana (PMGSY), Border Area Development Programme (BADP), and centrally sponsored scheme such as Rastriya Sam Vikas Yojana (RSVY). Besides these, this chapter deals with specific schemes on infrastructure and employment. Some of the schemes have been able to achieve their targets. However, this chapter also indicates towards some missing links in

implementations and coordination besides undesired political interferences and suggests future strategies.

Urban Development and Poverty Alleviations

Witnessing high growth in urban population in U.P. in recent census 2001 has compounded challenges before the housing, urban development, and employment and poverty alleviation programmes during the Tenth Plan. Addition of dwelling units remained a challenge amidst non-availability of funds in the first two years of the Plan. National Capital Region, Nagar Vikas Yojana, and Integrated Development of Small and medium Towns, are the major programmes for urban development. But disproportionate and skewed allocation of resources away from the basic priorities prevailed. In order to address the issues of urban employment and poverty alleviation, Swarn Jayanti Shahari Rojgar Yojana (SJSRY), and National Slum Development Programme (NSDP) have been in operation. SJSRY has many components of self and wage employment, training and rehabilitations of urban poor. Plan outlay for these schemes have been lower than that of the Ninth Plan. Moreover, gap between outlay and proportionate annual allocation remained in the case of SJSRY also. A great deal of systematic and transparent efforts are required to make the impacts of these schemes visible on urban poor.

Infrastructure Development

Infrastructure can be broadly classified in to physical, social and financial category, where all are economically desirable for the development of an economy. Physical infrastructure largely consists of irrigation, power, transport, telecommunication, water supply etc., which has direct impact on enhancing production through external economies and growth. Hence, this chapter has been focused on the role of physical infrastructure for the development of the economy. Moreover, considering the constraints in the availability of data this chapter focuses on irrigation, power and transport within the ambit of physical infrastructure.

Irrigation

It is observed that there has been disproportionate growth of irrigation by sources and disproportionate distribution public investment in various five year plans among sources. The proportion of actual expenditure on irrigation and flood control out of total planned expenditure during 9th and first three years of 10th plan remained almost constant.

The irrigated area under various sources shows an increasing trend over the years. However, both the potential and utilization of potential have increased continuously during the 9th plan and first three years in the 10th plan. It has been summarized that the biggest single malady in the major and medium irrigation sector right from first plan has been the continued tendency to start additional new projects resulting in proliferation of projects, thin spreading of resources leading to time and cost overruns. There is need to complete those projects on priority basis for which sufficient resource allocation and proper monitoring needs to be ensured.

The role of energy is considered as one of the important indicators for the growth of an economy. The state is ranked 15th among selected 18 major states in the country in terms of per capita power consumption. With regards to electrification in rural areas Uttar Pradesh stands 11th among major states. Moreover, in terms of electrification of the households in the electrified villages, which shows the true picture of the economic strength on an economy, Uttar Pradesh stands as one of the backward states at all India level. The latest data shows, only 20 percent of the rural households in Uttar Pradesh as against 44 percent at the all India level are electrified. There has been huge gap in demand and supply, lack of proper renovation and modernization activity, huge distribution and transmission losses and lack of sufficient stand on tariff reforms. These need to be addressed on priority basis.

An efficient transport system, which is a pre-requisite for sustained economic development, plays crucial role in promoting national integration, increasing productivity, enhance the competitive efficiency of the economy in the world market, the development of backward regions and integrating them with the mainstream economy by opening them to the trade investment. However, there exists huge gap in supply and demand, regional disparity in the road construction, low maintenance standards, no better regulatory framework and high environmental pollution in the transport sector. These issues have been raised for the consideration on priority basis.

Social Development

Social Development has been on the priority of the Tenth Plan. Education, Population, Health, and Voluntary Sector have been discussed in this chapter. This chapter attempted to deal with emphasised elementary and female education and identified indifference in

specific initiative for literacy drive for the girl child. This chapter also raises concern for highest birth and death rates in the state and emphasised that due to lack of clear cut targets for welfare, awareness, and facilities the Tenth Plan may not achieve the desired goal towards reduction in birth and death rates. Lack of strong policy on health will result in despair despite having emphasis on health sector. Voluntary sector has been widely accepted for major role in social development and increased allocation of resources has also been made but mapping of good organisations and data bank on their performance and social acceptability are yet to be done. Therefore, mere allocation of resources without proper exercise may not help in drawing any conclusion.

Social Justice and Empowerment

In order to ensure social justice, initiatives for empowerment of the weaker and historically disadvantaged section of the society including women are the main thrusts of the Tenth Five Year Plan. Dealing with these issues, chapter on empowerment and social justice discusses various initiatives for empowerment of women, SCs, STs, and OBCs to end discriminations, raise consciousness, enhance capabilities, fix corporate social responsibility and efficient management and utilisation of funds. This chapter also enumerates various social security measures for weaker sections of the society but proper implementation remains real challenge.

Plan Financing, Resource Mobilisation and Private Investment

This chapter deals with plan financing, resource mobilisation and private investment in the economy of Uttar Pradesh. Efforts have been made to assess the trend and behaviour of plan expenditure, fiscal health of the economy and their relationship with growth. Areas of concerns have been identified as declining plan investment, widening gap between plan outlay and expenditure, increasing market borrowing, plan expenditure mainly based on loan (to the tune of about 75 per cent, half of which becomes revenue expenditure), unsustainable debt trap (as major resource - about 46 per cent - spent on debt servicing in which 30 per cent goes to payment of interest only), implications of recommendation of the Twelfth Finance Commission and indifference of financial institutions resulting into declining share of loan amount for U.P. Lower Tax GDP ratio remains the hope for mobilisation of resources besides initiating measures to restore and promote better investment environment for the private sector. This chapter

concludes that U.P. government has to make bold and imaginative efforts for raising investment in infrastructure and other priority areas in the public sector and to attract large private domestic and foreign investment, if the goals of stepping up economic growth and reduce poverty are to be met.

Governance and Reforms

This chapter deals with various challenges before the government of U.P. including political, economic, administrative, deprivation, manpower planning and corruptions. It has been argued that many reform measures to improve governance in order to address these issues have been initiated in terms of policies, programmes and implementations. Certain positive results have also been witnessed but still there is a long way to go. Gaps between policies, programmes and implementations need to be bridged up. Imperative need of the hour is to evolve a clean and competent political management, efficient, honest and accountable bureaucracies, transparent and sensitive judiciary and administration with compassion and outreach, sound and equity oriented economic and fiscal policies, ethics led business, rule of law, strong democratic and decentralised institutions for participatory development and informed citizenry, so that state of U.P. may move ahead amidst the challenges of globalisation, free market and poverty and disparity.

Reference

Government of U.P., (2002): *Tenth Five Year Plan 2002-2007*, vol -I, Part - I, page 61)

CHAPTER II

ECONOMY OF UTTAR PRADESH: AN OVERVIEW

Introduction

Irrespective of the level of development, planning has acquired a decisive role in development process of an economy, polity and society. It has achieved special significance in case of a backward economy in which majority of the people is dependant on primary sector or agriculture. In Indian economy as a whole and Uttar Pradesh as one of the developing states of this country in particular planning has significant role to reorient its priorities and strategies of development as per the need of the people at the centre stage. The process of development and planning has been enriched by its experiences gained through various Five Year Plans. On the line of national planning Nine Five Year Plans have already been implemented and monitored for the economy of Uttar Pradesh. Gradual realisation of various dimensions of ground realities has been very much reflected with better articulation in successive plans. In the era of reforms now the economy is at the middle of the Tenth Five Year Plan with public and private partnership in development process. In order to address the need of development and identifying priority area, people remained at the central point. Efforts have been made to minimise hardship of common masses and reduction of regional disparities. Mobilisation and allocation of resources in a defined investment framework has been crucial strategy to determine growth processes and performance of the economy.

This chapter is an attempt to take a brief overall indicative view of the economy of Uttar Pradesh (U.P.) before we go for sector wise in depth detailed analysis in subsequent chapters and this chapter therefore, may not provide answers for many of the curiosity and expectations of the readers.

U.P. is one of the largest populated states with 16.62 crore population and about 66 per cent of the workforce dependent mainly on agriculture which contributes about 33 per cent of the state income with above 90 per cent marginal and small farmers. Birth rate is about 31.6 per thousand and literacy level is about 57.4 per cent which ranks this state at 14 and 13 in the country respectively with poor infrastructure. Tenth Plan began in 2002-03 with a very low level of growth rate with unprecedented ambitious target of 8 per cent amidst constraints.

Growth Performance

Growth performance of an economy can generally and customarily be comprehended through sector wise estimated domestic products and per capita distribution at factor cost by industry of origin. Data available for this purpose are of different bases of constant prices. In order to have comparable estimates income deflated data at one constant price base provide an understanding of the economy. Therefore, entire data of sector wise NSDP for this purpose have been computed at one price 1993-94. If we take a longer view through estimates of annual compound growth rate of data in reference for the state economy of Uttar Pradesh (U.P.), it is evident that net state domestic product (NSDP) between 1960-61 to 2002-03 has grown annually at 3.79 per cent where as per capita NSDP has grown merely by 2.54 per cent (Table 1).

Table 1: Compound Annual Growth Rates of Net State Domestic Product and Per Capita NSDP of U.P. during 1960-61 to 2002-03

Period	1960-61 to 1970-71	1971-72 to 1980-81	1981-82 to 1990-91	1991-92 to 2002-03	1960-61 to 2002-03
NSDP	2.1	3.53	5.1	3.86	3.79
PercapitaNSDP	1.8	3.17	2.73	1.64	2.54

Source: Calculated from data published by EPW Research Foundation.

Plan wise annual compound growth rate at constant prices suggest that seventh plan could achieve highest growth rate to the tune of 6.61 per cent (Table 2). This rate of growth could not be sustained in subsequent plans. It declined to 5.22 in the Eighth Five Year Plan which further decelerated to 4.34 per cent in the Ninth Five Year Plan. Similarly, rate of growth of per capita NSDP registered 4.25 per cent in the Seventh Plan which came down to 2.87 in the Eighth Plan and it reached at the lowest level to 0.93 per cent during the Ninth Plan. Declining growth rates of NSDP and per capita NSDP are matter of serious concern as these reflect declining per capita purchasing power of the economy.

Table 2: Compound Annual Growth Rates of Net State Domestic Product and Per Capita NSDP of U.P. during Fifth Five Year Plan to Ninth Five Year Plan at 1993-94 Prices

Plan	Fifth Plan	Sixth Plan	Seventh Plan	Eighth Plan	Ninth Plan
NSDP	5.99	4.29	6.61	5.22	4.34
Per capita NSDP	2.36	1.84	4.25	2.87	0.93

Source: Calculated from data published by EPW Research Foundation.

Data suggest that average growth rate of state income during two years of the Tenth Plan is higher than that of the Ninth Plan. However, it is far behind than the growth rate of National Income. Moreover contribution of state in National income has been declining. This suggests that the relative position of state performance is sliding down from the average contribution in the Ninth Plan (Table 3).

Table 3: Percentage Growth Rate of State Income and National Income and Contribution of U.P. during Ninth and Tenth Plan

Year	Growth Rate of State Income of U.P.	Growth Rate of National Income of India	% age contribution of U.P
1997-98	(-) 1.1	4.6	9.5
1998-99	0.7	6.5	9.0
1999-00	6.9	6.3	9.0
2000-01	0.5	4.2	8.7
2001-02	2.8	6.3	8.6
2002-03	0.1	3.5	8.3
2003-04	5.9	8.4	8.1
1997-98 to 2001-02	2.0	5.6	8.9
2002-03 to 2003-04	3.0	6.0	8.2
1997-98 to 2003-04	2.3	5.7	8.7

Source: Col. 2: Calculated from Statistical Diary, 2004, p. 52, Col. 3 and 4: Annual Plan 2004-05, p. 68 and 72.

Share of NSDP of agriculture at constant price of 93-94 for the economy of U.P. has come down from 64.87 per cent in 1960-61 to 57.21 per cent in 70-71, 50.89 per cent in 1980-81, 40.97 per cent in 1990-91 and 35.7 per cent in 2000-01. However, estimates of State Income of U.P., published in State Statistical Diary 2004 suggests that share of agriculture and allied activities in 2000-01 were 36.2 per cent of state income which was reduced to 36.1 in 2001-02, 33.9 in 2002-03 and 33.7 in 2003-04. Sector wise analysis of state income at constant price given in table 4 suggests that annual average growth rate for agriculture during Ninth Plan was merely 0.85 per cent and total primary sector was 1.99 per cent. However, during first year of the Tenth Five Year Plan it turned negative due to severe drought. During second year it could register an impressive

growth rate due to favourable monsoon. But over all growth rate for the first two years remained negative. Third year is again a year of severe drought and therefore agriculture growth might decline further. Agriculture being a major component of Primary sector the growth rate of this sector turned negative. Manufacturing sector has performed better in the Tenth Five Year Plan and could register 6.5 per cent growth rate. Other sectors grew by 4.3 per cent which is higher than the growth rate of previous plan.

If one attempts to review the targets set for broader sectors for the Tenth Five Year Plan as mentioned in Plan Document, annual growth rate target for agriculture was set to the tune of 5.17 per cent, manufacturing as 12.36 per cent and rest sectors (services) as 8.06 per cent (see vol. I Part I p. 35). In the first year of the Tenth Five Year Plan (2002-03) agriculture and allied sectors registered negative growth rate to the tune of (-) 6.03 per cent because of unfavourable monsoon. However, in the year 2003-04 it recovered to 5.28 per cent as monsoon was favourable. This recovery appears mainly on the negative base value of the growth rate in previous year. If one takes average of the two years, annual growth rate remained negative (- 0.37 per cent) (Table 5).

Table 4: Sector Wise Annual Average Growth Rate of state Income of U.P. at 1993-94 Prices

Year	Agriculture & Allied	Primary Total	Manufac turing	Secondary Total	Others	Total
97-98	(-) 6.68	(-) 5.97	(-) 9.05	(-) 3.34	3.85	(-) 1.1
98-99	0.46	3.38	(-) 17.33	(-) 7.78	2.47	0.7
99-2000	9.57	9.37	9.60	4.71	5.87	6.9
2000-01	(-) 1.64	(-) 1.22	(-) 2.73	0.54	2.26	0.4
01-02	2.55	4.41	(-) 0.65	1.22	4.07	2.84
02-03	(-) 6.03	(-) 6.95	6.22	5.40	2.45	0.3
03-04	5.28	5.05	6.78	6.98	6.15	5.4
97-02	0.85	1.99	(-) 4.03	(-) 0.93	3.70	2.0
2002-04	(-) 0.37	(-) 0.95	6.50	6.19	4.30	3.0
97-04	0.50	1.15	(-) 1.02	1.10	3.87	2.3

Source: State Statistical Diary 2004, Department of Planning, Govt. of U.P.

In view of the wide spread drought in the year 2004-05, there is hardly any possibility for further reconsolidation. Thus, it appears that agriculture needs special attention to protect from uncertainty of the monsoon.

Table 5: Distribution of Sector wise Targets and Achievements of the Economy of Uttar Pradesh during the First Two Years of the Tenth Five Year Plan

Year	Agriculture		Manufacturing		Other sector		Total	
Target/Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
1	2	3	4	5	6	7	8	9
2002-03	5.17	(-) 6.03	12.36	6.22	8.06	2.45	8.0	0.3
2003-04	5.17	5.28	12.36	6.78	8.06	6.15	8.0	5.4
Annual Av.	5.17	(-) 0.37	12.36	6.5	8.06	4.30	8.0	3.0

Manufacturing sector could achieve 6.22 and 6.78 per cent annual growth rate averaging to 6.5 per cent per annum against the target of 12.36 per cent per annum. Similarly other sector could grow on an average 4.3 per cent per annum. But there has been increasing tendency in the growth rate of other sectors from 2.45 per cent in 2002-03 to 6.15 per cent in 2003-04. Average rate of growth of other sectors remained at 4.30 per cent against 8.06 per cent. Thus, over all growth rate target, which was set to the tune of an ambitious level and all time high rate of 8 per cent per annum, remained as low as 3 per cent per annum. Moreover, state economy grew by 5.4 per cent per annum during 2003-04 but the base was too low at 0.3 per cent in the beginning (2002-03) of the Tenth Plan on account of fluctuating performance of agriculture, failure at manufacturing industry and other sectors. If one deals the issues of growth rates further, past performance of different sectors of the economy does not suggest any basis to set a target of 8 per cent to be achieved without introducing major change in the investment pattern.

Sector wise annual compound growth rates during 1960-61 to 2000-01 for Fishery and Mining & Quarrying has registered impressive performance, i.e., 7.54 and 7.55 per cent respectively among the sub sectors of the primary sector. Manufacturing as a whole could achieve 6.41 per cent growth rate in which registered sector grew by 7.37 per cent but unregistered had lower rate of growth (i.e., 5.19 per cent). There has been significantly double digit (11.23 per cent) growth rate for electricity, gas and water supply. Similarly banking and

insurance has also grown by 9.97 per cent. Transport storage and communication could grow by 5.06 per cent. Remaining sectors have however, lower values of growth rates but still higher than

**Table 6: Average Annual Growth Rates of Area Production and Productivity
during 1990-91 to 2000-01**

Period	Annual Growth Rates (per cent)		
	Area	Production	Productivity
Crops			
Food Crops	(-)0.14	1.78	1.91
Non-Food Crops	3.03	2.65	(-)0.38
All Crops	(-)0.07	2.10	1.16

Note: Food Crops include cereals, pulses and non-food crops include sugarcane, oilseeds, potato and other crops.

Source: Calculation is based on data from Uttar Pradesh ke Krishhi Ankre, various issues.

that of agriculture. Agriculture could grow at very low level by 2.63 per cent and forestry had a negative score (-) 3.85 per cent. Negative trend of growth rate in forestry and lower trend in agriculture are matter of serious concern. If we take the growth performance in 1980s and 1990s into account, growth rates of Mining and Quarrying, Construction, Transport, Storage and Communication sectors have registered higher growth rates in 1990s than 1980s. Growth rates in remaining all the sectors have been with lower score in 1990s. As a result, growth rates of NSDP and per capita NSDP have also been lower in 1990s than that of 1980s (Annexure I).

At the ending year of the Ninth Five Year Plan total food grains production was 44187 thousand tonnes, out of which 15877 tonnes were of kharif and 28310 tonnes were of Rabi crops. But in the beginning year of the Tenth Plan the production was reduced by 13.5 per cent because of the failure of monsoon. Kharif crops were most severely damaged, and production was reduced by 24.46 per cent and production of Rabi crops were damaged by 7.38 per cent. Monsoon was

**Table 7: Changes in Production of Food Grains in Uttar Pradesh
over Previous Year during the 2002-03 to 2004-05**

Season	2002-03 over 01-02	2003-04 Over 02-03	2003-04 Over 01-02	2004-05 over 03-04
Kharif	(-) 24.46	33.31	0.71	12.27
Rabi	(-) 7.38	8.47	0.47	13.39
Total	(-) 13.51	16.26	0.55	12.98

Source: Calculated from Annual Plan 2004-05, Vol. I (Part II)

normal in the year 2003-04 and therefore negative rate of growth of production was offset and food grains could increase by 0.55 per cent recovered by 16.26 per cent increase in production. Sharp increase was registered in kharif crops, i.e., 33.31 per cent and 8.47 per cent in rabi crops (Table 7). This sharp increase was on account of lower base in 2002-03. If one compares with the production of 2001-02, the increase was merely 0.55 per cent in total production and 0.71 per cent in kharif and 0.47 per cent in rabi production. In the light of the past experience, production of food grains in 2004-05 is bound to come down as 61 districts of the state were declared under drought hit region. Moreover, apprehension of late monsoon in the year 2005-06 will also have an adverse impact on kharif production. This indicates the need of expansion of irrigation infrastructure and network on the priority basis. However, under utilisation of funds earmarked for irrigation and flood control needs efficient financial handling and administration.

Agricultural Credit

Agricultural credit has widened its horizon and many new instruments have entered to facilitate farmers of Uttar Pradesh in recent past. Besides crop loan, kisan credit card and national Agricultural Insurance Scheme have been introduced. However, comparative picture of agricultural credit between 1980s and 1990s are not encouraging. CMIE estimates suggest that compound annual rate of growth of per capita credit to agriculture was 16.01 per cent in 1980s but this was decelerated to 8.36 per cent in 1990s. However, latest data published by the CMIE Monthly Review of U.P. Economy, January 2005 for Uttar Pradesh suggest that a total sum of Rs. 1912.01 crore have been distributed till September 2004 as crop loan for Kharif season 2004, which 95.6 per cent of the target achievement. Of this cooperative Bank distributed Rs. 586.63 crore which was 90.2 per cent of the amount earmarked for it. Commercial Bank distributed Rs. 1325.38 crore during the season almost closer to the target amount of Rs. 1350 crore. There had always been short fall in achievement with respect to target. During the Rabi season 2003-04, crop loan worth Rs. 699.21 crore were distributed by cooperative banks, which were 80 per cent of the target of Rs. 875 crore. Commercial banks distributed Rs. 1842.68 which was more than the target. But in total there was short fall in achievements with respect to target for last two years of the Tenth Plan. To facilitate farmers with better credit, Kisan Credit Card has been introduced by Cooperative and Commercial Banks. During 2002-03 Rs. 32 lakh was distributed against target of Rs. 35 lakh, which was subsequently reduced to Rs. 27.23 lakh against Rs. 35 lakh in 2003-04. This has further reduced to 15.56 lakh against 25 lakh till 30.11.2004. Therefore, implementation and coverage need to be evaluated further as it has to go a long way to become a helping hand for small and marginal farmers.

National Agriculture Insurance Scheme covered 3.59 farmers against 5.35 lakh ha. and 414.42 crore insured amount with a premium of 7.61 crore in Kharif of 2003 which was raised to 7.7 lakh against 17.06 lakh ha. and 765.05 crore with premium of 15.95 crore for the kharif of 2004. For Rabi crops 5.72 lakh farmers have been covered in 2002-03 against 8.29 lakh ha. and Rs. 475.45 crore with premium of Rs. 8.63 crore. Coverage has increased to 6.41 lakh farmers in 2003-04 against 10.21 lakh ha. and Rs. 558.95 crore with premium of Rs. 9.51 crore. Majority of farmers are loanee and of category of marginal and small holdings. Official presentation of data need cross checking of the ground realities that poor farmers have been facing. Effectiveness of the agricultural insurance and coverage need to be analysed with care and sensitivity.

Infrastructure

There has been growing realisation that infrastructure building is one of the major segments to promote employment, growth and quality of life. Infrastructure has been classified broadly in three categories: Physical, social and Financial. Further segregations of these categories into irrigation, power and transport as economic physical infrastructure have been categorical to identify contribution in reducing transaction cost of production and generating employment, income and growth of the economy. Social infrastructure enhances human capabilities through education, health, housing, and recreation facilities leading towards improvement in productivity of labour and quality of life.

Table 8: Status of Infrastructure in U.P

Infrastructure	Physical	Social	Financial
1971-72 Index	3.24	-1.40	4.27
Rank	12	17	14
1981-8 Index	3.34	0.12	4.16
Rank	10	17	13
1991-92 Index	3.33	1.39	4.03
Rank	11	17	13
1997-98 Index	3.43	1.56	3.64
Rank	12	18	14

Source: Ghosh and De, 2004 *EPW*, vol. 39, no.42, October 16-22, pp. 4645-4657.

Financial infrastructure like postal, banking, and tax capacity of the people determines the financial performance of the state. All these together constitute income generating capability of a state. On the contrary it has been observed that differential infrastructure facilities across the states are primarily responsible for the widening of income disparity (Ghosh and De, 2004). Table displaying infrastructure indicates about the rank and position of infrastructure in U.P since 1971-72. Table suggests that all three categories of infrastructure, i.e., physical, social, and financial remained almost stagnant in their relative positions. However, physical infrastructure displayed better position than financial and social infrastructure. Ninth and Tenth Five Year Plan have laid emphasis on infrastructure building in the state.

The net irrigated area has been increasing from 62.55 lakhs hectares in 1966-67 to 94.53 lakh hectares in 1980-81 and again increased to 128.28 lakhs hectares in 2001-02. However, the net irrigated was almost constant during 1998-99 to 2000-01 and again increased to 128.28 lakh hectares in 2001-02. The proportion of net irrigated area to net cropped area has increased from 36.12 percent in 1966-67 to 54.89 percent in 1980-81, 73.70 percent in 2000-01 and 76.30 percent in 2001-02. However, the net irrigated area by private sources such as private tube-well/pump sets constitute nearly 87.09 lakh hectares, which is 68 percent of the net irrigated area, whereas major and medium sources through canal irrigation possesses at 27.19 lakh hectares, which is nearly 21 percent of the net irrigated area. Despite this expansion of irrigation network intermittent droughts have been experienced in the agriculture of state economy. This reflects the degree of effectiveness of irrigation networks of the state.

Energy is one of the important components for growth of agriculture as well as other sectors. To meet the growing demand of energy is a major challenge. Energy sector involves basically, generation, transmission and distribution. Technical losses during transmission remained to be addressed till date which may reduce the scarcity of energy to a certain extent. Expansion of network in rural areas still remains a major task. Compound annual growth rates of the percentage of village electrified in 1980s was 7.61 per cent, which was declined to 0.90 per cent in 1990s. However, road length for the same period has gone up from 0.22 per cent to 4.03 per cent.

Industrialisation

Secondary sector in U.P. contributes about 20 per cent of the state income and manufacturing alone contributes about 12 per cent with 5.6 per cent absorption of workforce. Growth rate of this sector in the Ninth Plan was negative. However in the Tenth Plan this sector has grown considerably by 6.5 per cent per annum. Besides small and cottage industry medium

and heavy industries have grown significantly. Altogether 1370 IEM/LOI have been issued in the Ninth Plan for medium and heavy industries, i.e., about 274 per annum. In case of Tenth Plan IEM/LOI issued for two years were 497, i.e. 248.5 per annum. Investment in previous plan was on an average 4077.22 crore and employment about 46251 per annum. In the first two years of the Tenth Plan investment has been to the tune of average Rs. 1755.94 crore and employment generated about 40837.5 per year. These figures are lower than that of the Ninth Plan and therefore need to be addressed effectively so that this sector can progress better than that of the previous Plan.

Hopes for generating employment have been pinned on micro and small enterprises. A study conducted by the GIDS (Singh, et.al, 2004) suggests that during last two years employment in this sector has increased by 5.7 per cent. Women workers have increased by 8.4 per cent, men by 4.9 per cent, and child workers by 71.4 per cent. This also suggests that preference for employing women and children as cheap casual labour remained higher than men. Employment in general has grown faster in the industry having 6 to 9 workers, i.e., by 7.4 per cent than small scale having 10 to 19 workers by 5.2 per cent. However, the study also suggests that 60.7 per cent female family workers and 75 per cent family child labour are unpaid. Proportion of female worker is very small. Every enterprise does not employ at least one woman.

Investment and Growth rates

There has been general agreement that investment is the function of growth. In order to examine this functional relation for Uttar Pradesh, plan document (Annual Report 2004-05, vol I-I, p.14) suggests that incremental capital output ratio for the year ending Ninth Plan, i.e., 2001-02 was 4.08. Growth rate of the state income for this year was 4.5 per cent (ibid, p.72). Thus, saving/investment rate can be worked out as 18.4 (4.08×4.5) per cent. Target set for the Tenth Plan was 8 per cent. With a given ICOR saving/investment required for 8 per cent growth rate of the economy could be 32.64 (4.08×8) per cent. Thus, target to rise saving was about 77.4 per cent more than that of the base level of 18.4 per cent in order to achieve 8 per cent growth rate. For the first two years about 3 per cent growth per annum could be achieved. Thus, this appears to be a big challenge rather unachievable and unrealistic as this required investment rate of 32.64 per cent for this state is even higher than the central government, which has higher rate of investment rate than that of U.P.

It is worth noting here that the Tenth Plan of the government of India has set a target of 8 per cent along with recommendations of positive policies and programmes for changing the

sectoral pattern and technology in favour of labour intensive production (GOI, 2002b: 144). Needless to mention that in order to achieve this growth rate a higher rate of investment is needed. Average rate of investment during 1992-93 to 1999-2000 was 24.4 per cent and average growth rate was around 6.5 per cent. This implies an incremental capital output ratio (ICOR) of 3.75 per cent. Thus, in order to achieve a growth rate of 8 per cent would require an increment in the rate of investment to 30 per cent of GDP. This will further require increased domestic savings and foreign investment (GOI, 2002a: 83). However, we all know that achieving 8 per cent growth rate remained unattainable except one year for the Indian economy also.

Plan document of U.P. suggests that 29.4 per cent of aggregate investment required (Rs.364645 crore) to achieve 8 per cent at given ICOR would be mobilized by the public sector and 70.6 per cent by private sector (Tenth Five Year Plan, GoUP, vol.I, p.14). Therefore the target growth rate is largely dependent on private sector investment. Looking at the growth rates of two years it appears that investment by private sector could not be mobilized substantially to accelerate the growth rate of the economy. Data on private investment are not available for analysis. Moreover, Plan document did not have technical notes on calculating various figures, for example on ICOR. In such a situation, assessing growth targets and resultant figures remain a difficult proposition without a separate study. Therefore, the Planning Department should initiate separate studies in this regard.

Allocation and Utilisation of Resources

Allocation of resources for the Tenth Plan suggests that percentage share of agreed outlay for General Economic Services has been placed in top priority. Other sectors got lower percentage outlay than that of the Ninth plan. Utilisation of funds inter alia decides the level of effective implementation of the programmes. Table 9 suggests that over all annual utilisation of funds for 2002-03 to 2004-05 (including anticipated and proposed) is to be only 26.57 per cent. Proportionately it should be 60 per cent. General Economic Services, which is on the top priority of the Tenth Plan with 31.26 per cent of agreed outlay could utilise only 1.47 per cent of funds in three years. In most of the cases the level of utilisation is below 40 per cent. However, Special Area Programme could achieve ideally above 63 per cent. Table 10 suggests that over all annual utilisation of funds in the year 2002-03 was to the tune of 90.55 per cent of the allocation for the year. Out of which capital expenditure also remained to the level of 93.43 per cent. Second year of plan suggest that expected expenditure was quite lower than allocation. It is expected to come down to 79.26 per cent and capital expenditure earmarked for the year is also to

Table 9: Sector Wise Plan Outlay and Expenditure in Uttar Pradesh

Rs. In Lakh

Sectors	Ninth Plan	Tenth Plan	Annual Plans			
			2002-03 Actual	2003-04 Anticipated	2004-05 Proposed	Total 2002-05
Agriculture & allied Sectors	274375.13 (9.76)	517342 (6.14)	82192.80 (12.47)	72343.88 (11.81)	74058.67 (7.67)	228595.35 (44.19)
Rural Development	407315.44 (14.49)	726791 (8.63)	99274.15 (15.06)	74972.93 (12.24)	112946.77 (11.69)	287193.85 (39.52)
Irrigation & Flood Control	339685.33 (12.08)	807078 (9.58)	80071.15 (12.14)	77610.05 (12.67)	106796.54 (11.05)	264477.74 (32.77)
Industry & Minerals	42598.14 (1.52)	148576 (1.76)	4374.43 (0.66)	5125.15 (0.84)	6326.92 (0.65)	15826.50 (10.65)
Transport & Ccommunication	389994.52 (13.87)	747414 (8.87)	105836 (16.05)	93210.09 (15.22)	84670.14 (8.76)	283716.14 (37.96)
Sci, Tech, & Environment	18015.06 (0.64)	241025 (2.86)	1910.19 (0.29)	487.60 (0.08)	4596.60 (0.48)	6994.39 (2.90)
Energy	490316.59 (17.44)	733872 (8.71)	92967.76 (14.10)	104229.92 (17.02)	133193.24 (13.79)	330390.92 (45.02)
Gen. Economic Services	15063.57 (0.54)	2633164 (31.26)	3593.75 (0.55)	1958.52 (0.32)	33073.38 (3.42)	38625.65 (1.47)
Social Services	724376.54 (25.77)	1586272 (18.83)	154955.54 (23.50)	142941.56 (23.34)	315331.74 (32.64)	613228.84 (38.66)
Gen. Services	18368.40 (0.65)	42745 (0.51)	7870.63 (1.19)	6113.41 (1.00)	3325.00 (0.34)	17309.04 (40.49)
Special Area Programme	90809.38 (3.23)	239021 (2.84)	26327.7 (3.99)	33498 (5.47)	91859.00 (9.51)	151684.7 (63.46)
Total	2810918.1 (100)	8423300 (100)	659374.10 (100)	612491.11 (100)	966178.3	2238043.51 (26.57)

be about 86.04 per cent. But annual slot itself is much below to the proportionate level. This needs to be addressed.

Dealing with sector wise break up suggests that in the Ninth Five Year Plan year 2002-03 special area programme, transport in general and capital expenditure in agriculture and rural development have over scored whereas irrigation and flood control, industry, science and technology, and general economic and social services have lagged behind in terms of utilisation of funds. In the year 2003-04 also special area programmes, agriculture, rural development, energy,

Table 10: Head Wise Expenditure in the Ninth and the Tenth Five Year Plan

(Rs. in Lakh)

Plan	Ninth Plan		Tenth Plan				
	Actual Expenditure		2002-03 Actual Expenditure		2003-04 Expected		2004-05 Proposed
	Total	Out of which capital	Total	Out of which capital	Total	Out of which capital	Total
Economic Services							
Agriculture and Allied Activitiesa	274375.13 (124.18)	78948.86 (202.27)	82192.80 (100.14)	47452.37 (110.28)	72343.88 (99.86)	43951.97 (120.13)	74058.67
Rural Develop Ment	407315.44 (122.21)	219973.01 (189.81)	99274.15 (97.14)	68086.00 (101.74)	74972.93 (95.77)	45300.48 (104.77)	112946.77
Special Area Programme	90809.38 (161.41)	90403.13 (57.22)	26327.70 (126.39)	26248.84 (126.52)	33498.90 (154.05)	33498.90 (102.50)	91859.00
Irrigation and Flood Control	359685.33 (112.08)	337484.28 (110.96)	80071.15 (83.10)	71546.40 (78.76)	77610.05 (70.36)	71662.30 (69.54)	106796.54
Energy	490316.59 (68.73)	489372.65 (68.94)	92967.76 (93.20)	92762.79 (94.40)	104229.92 (106.42)	103797.30 (107.46)	84670.14
Industry and Mineral	40598.14 (86.94)	22390.16 (61.38)	4374.43 (195.55)	1012.00 (45.24)	5125.15 (71.66)	153.15 (6.46)	6326.92
Transport	389994.52 (43.55)	389322.53 (61.38)	105836.18 (111.43)	105771.44 (111.53)	93210.09 (74.78)	93103.80 (74.80)	133193.24
Science, Technology & Environmen t	18015.06 (8.69)	15317.66 (44.11)	1910.19 (27.28)	1496.23 (24.52)	487.60 (7.29)	10.00 (0.16)	4596.60
General Economic Services	15063.57 (7.53)	11556.96 (23.25)	3593.75 (30.24)	2910.80 (55.62)	1958.52 (3.10)	1605.00 (40)	33073.38
Social Services	724376.54 (61.22)	258879.17 (39.06)	154955.54 (79.08)	63017.27 (70.80)	142941.56 (74.34)	55544.75 (76.32)	315331.74
General Services	1836840 (147.04)	16946.78 (135.66)	7870.63 (95.34)	6537.52 (94.84)	6113.41 (96.67)	4539.26 (94.08)	3325.00
Total	2810918.10 (67.54)	1930595.19 (61.75)	659374.10 (90.95)	486841.66 (93.43)	612491.11 (79.26)	453166.91 (86.04)	966178.3

Source: Annual Plan Report: 2004-05.

Figures in parenthesis indicates percentage to agreed outlay.

and general services remained satisfactory whereas irrigation and flood control, general economic services, science and technology, and social services remained under spent. Approval for the year has been much higher than the previous years but the question of utilisation remains to be handles with care. There is need to expedite finance administration and utilisation to use this scarce resources prudently and efficiently.

Challenges

Unemployment

The backlog of unemployment in state in 2004-05 is 25 lakh persons. The total under employed in the state has been estimated 99 lakh persons. In addition, new entrants in 2004-05 will be around 14 lakhs. Thus unemployed will be 39 lakhs and under employed would be 99 lakhs for whom employment has to be provided during the remaining two years of the tenth plan. The generation of employment is linked to growth of income. On the basis of employment elasticity (0.45) it has been estimated that targeted growth of 8% per annum would generate employment for about 14.64 lakh during annual plan period (Annual Plan 2004-05, vol.I, p.84). But with a lower growth rate of 3 per cent per annum, employment generation could be quite lower than expectations added with the problems of under employed for which extra effort is required in the remaining years of the tenth plan. Therefore the problem of unemployment will further be aggravated. However, one can expect some kind of let up from implementation of Employment Guarantee Act.

Poverty

Official data from Annual Plan 2004-05 suggest declining trend in poverty from 29.5 per cent in 2001-02 to 27.8 per cent in 2003-04, 26.97 per cent in 2004-05 and assume further decline to 25.4 per cent in 2006-07 despite all sorts of unfavourable situation (Annual Plan 2004-05, vol. I, p. 79). Using indirect method of poverty estimation the Central Planning Commission estimated the incidence of headcount poverty for rural U.P. during 1999-2000 to be 31.22 per cent that corresponds to the monthly per capita expenditure of Rs. 336.88. However, using direct method of poverty estimation with NSS 55th Round data for the year 1999-2000, the incidence of headcount poverty for rural Uttar Pradesh based on the calorie norm of 2400 kcal is estimated to be 61 per cent that corresponds to monthly per capita expenditure of Rs. 455 (Table 11). Thus, we get a difference in the estimates of headcount poverty by these two methods for rural U.P. at a magnitude of 30 per cent. Taking 2200 kcal norm the estimates turned out to be 27.5 and 47 per cent respectively and associated monthly per capita expenditures are 325 and 400 respectively. Considering interstate variation in the estimates of poverty into account one can hardly escape the conclusion that incidence of poverty estimated through direct method has been much higher than official indirect estimates (Table 12). So long, we accept calorie intake as criteria for deciding poverty line it will be difficult to escape from this hard reality. Moreover, if we add up drinking water, sanitation, health and education in basic necessities, estimates of deprivation will touch even higher than this one.

Table 11: Expenditure Group wise Calorie intake and distribution of persons
(1999-2000), U.P. (rural)

Expenditure Class (Rs.)	Average Expend. (Rs.)	PC/day Kcal intake	% No. of Person	Cummulativ %
000-225	195	1466	4.4	4.4
225-255	243	1734	5.1	9.5
255-300	279	1893	11.3	20.8
300-340	320	1990	11.3	32.1
340- 380	361	2100	11.5	43.6
380-420	400	2226	10.6	54.2
420- 470	444	2375	9.8	64.0
470-525	496	2470	8.8	72.8
525-615	566	2631	10.1	82.9
615-775	687	2907	9.1	92.0
775-950	852	3190	4.3	96.3
950+	1386	3815	3.6	99.9
All Classes	467	2327	100	-

Source: Ram, (2004) and NSS, 55th Round, 1999-2000, Report no. 454 and 471.

Table 12: Interstate Estimates of Rural Poverty

State	HCR-2400 Kcal	HCR-2200 Kcal	HCR-2000 Kcal	HCR-Planning Commission
A.P.	84 (595)	70.5 (490)	52 (405)	11.05(262.94)
Assam	91 (660)	81 (545)	57.5 (425)	40.04(365.43)
Bihar	77 (455)	64.5 (400)	39.5 (345)	44.30(333.07)
Guj	83 (735)	73.5 (635)	59.5 (540)	13.17(318.94)
Hary	47.5 (615)	36 (540)	24 (470)	8.27(362.81)
Karnat	82 (650)	69 (535)	45 (420)	17.38(309.59)
Kerala	82.5 (1105)	68.5(810)	52 (660)	9.38(374.79)
M.P.	78.5 (490)	69.5 (435)	46.5 (345)	37.06(311.34)
Mhrt	92 (870)	76.5 (600)	46 (420)	23.72(318.63)
Orissa	80 (475)	60 (365)	39 (295)	48.01(323.92)
Pnjb	58.5 (715)	45 (610)	28.5 (515)	6.35(362.68)
Rajsth	53.5 (515)	36 (445)	16 (360)	13.74(344.03)
TNadu	94.5 (970)	82 (685)	68.5 (540)	20.55(307.64)
U.P.	61 (455)	47 (400)	27.5 (325)	31.22(336.88)
W.Beng	81 (575)	61 (455)	47 (400)	31.85 (350.17)
All Ind	74.5 (565)	58 (455)	40 (380)	27.07(327.56)

Source: Ram, (2004) and NSS 55th Round, 1999-2000, Report no. 454 and 471.

Rural income of U.P. is largely dependent on agriculture and allied activities. This sector has therefore significant influence on poverty. Agricultural economy of state has not been performing satisfactorily as it has been the victim of the vagaries of the monsoon in alternate year in the Tenth Five Year Plan. In the year 2004-05 also about 61 districts of the state have been declared draught hit. This will severely affect the target of kharif production. Better Rabi crops output may offset this distortion to a certain extent but State initiatives to offset the sliding effects on annual production and growth performance will be a difficult task. It is a matter of investigation that agriculture, which remained shelter of larger number of the people of the U.P. did not grow satisfactorily. Recent Census data of 2001 do not suggest significant shift of workforce in industry or other sectors. Therefore, working out strategies for reducing the level of poverty has remained and will remain a challenge before policy makers and implementing agencies.

Fiscal Deficits

Actual fiscal deficit of this state at the end of the Ninth Five Year Plan was at the tune of Rs. 9898.13 crore in 2001-02 which was reduced to Rs. 9496.9 in 2002-03 but revised estimate in 2003-04 indicate staggering increase to the tune of Rs.20413.89 crore because of payment of arrears of central public sector units by U.P. Electricity Corporation, however, in 2004-05 it has been estimated to be reduced to the level of 10398.46 crore. Interstate comparison of gross fiscal deficit as a ratio to net state domestic product (NSDP) in selected states suggests that position of U.P. in 1999-2000 (6.7 per cent) has been better than Bihar (9.7), West Bengal (9.5), Rajasthan (9.1), and Orissa (11.4) and worse than other states. Fiscal deficit as per centage of SDP which was 5.3 in 2001-02 has decreased to 4.9 per cent in 2002-03 and 2003-04 and increased to 5.9 per cent in 2004-05 (R.E.) and 5.3 per cent in 2005-06 (B.E.).

Plan expenditure (at constant prices) during the entire Eighth Five Year Plan fell short of the outlay by 26.3 per cent in U.P., which happens to be much less than Bihar (67.8%) and Orissa (46.9%). This situation continued in Ninth Plan and first two years of Tenth Plan also. The per capita plan expenditure also shows a decline with some fluctuations over the years. This was because of heavy shortfall in total plan expenditure as compared to the outlay during the years. The huge gap between the approved outlay and expenditure in U.P. is alarming U.P. provided more funds for energy sector at the time of allocation but it could hardly be implemented. The expenditure on irrigation was less than what was provided.

Mounting Debt Burden

Outstanding liabilities of state of Uttar Pradesh have been mounting year after year which need to be addressed. During 1990-91 it was Rs.17966 crore, which was increased to 41768 crore by 1996-97 and by the end of Ninth five year Plan it was mounting to 83011 crore. During Tenth Five Year Plan also the trend remained alarming. During 2002-03 outstanding liabilities went further higher level to the tune of Rs.91182 crore, in 2003-04, 106407 crore, in 2004-05 Rs.116794 crore and it is estimated to the tune of Rs. 129155 crore. Outstanding liability as percentage of GSDP which was 44.4 per cent at the end of the Ninth Five Year Plan has increased to 49.9 per cent in 2004-05. Thus, liabilities of the state have been increasing fast.

Social Infrastructure

Development of social infrastructure is a big challenge. Elementary education has been strengthened in 1990s in comparison to 1980s. Compound annual rate of growth of primary school per lakh population in 1980s was -1.79 per cent, which was improved to 0.88 per cent in 1990s. CARG for Middle and Higher School for the same period has been -1.44 and 2.62 per cent respectively. Many new experiments have been initiated for controlling dropouts. Mid Day Meal has been introduced for retaining boys and girls in education. However, experience of Sarva Siksha Abhiyan and mid day meal remained much to be desired. Expansion of Primary Health Centres slowed down in 1990s compared to 1980s. Its growth rate was 18.03 per cent in 1980s, which was decelerated to 2.28 per cent in 1990s. Hospital and dispensary beds witnessed even negative rate of growth from 0.9 per cent to -1.39 per cent.

In view of analysis presented above it is evident that target to improve productivity in agriculture remained a challenge amidst vagaries of monsoon. Special Area Programmes have been utilising funds proportionately but it is a small fraction. One has to look into the process of implementation of various schemes as underutilisation of funds and decelerating growth rates, which is a challenge towards achieving the targets and goals set. Expansion of economic and social infrastructure particularly irrigation and electricity remained the crux of the problems. Growing unemployment in the situation of lower growth rates is obvious. Mounting debt burden and fiscal deficit is another area of concern for financial discipline. Estimates of poverty need to be straightened out to capture real picture of inequality in this state, as many of the studies show declining poverty amidst decelerating growth rates in 1990s. If these findings are any indicative there is an imperative to reorient implementation of programmes and ensure effective utilisation

of resources for accelerating growth of U.P. economy, so that set goal of reducing unemployment, poverty and inequality may be covered at least partially.

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**Annexure 1: GROWTH RATES of NSDP (with SD Error) of Uttar Pradesh at Factor
Cost by Industry of Origin at 1993-94 Prices**

Sector	1960-61 to 1980-81	1960-61 to 1970-71	1971-72 to 1980-81	1981-82 to 1990-91	1991-92 to 2000-01	1960-61 to 2000-01
1. Agriculture	1.73±. 0034	1.29±. 0086	2.45±. 0102	2.96±. 00303	2.15±. 00376	2.63±. 0011
2. Forestry & Logging	1.90±. 0051	5.75±. 0054	(-) 2.65 ± .00477	(-) 11018±. 0142	(-) 2.33±. 028	(-) 3.85 ±. 00442
3. Fishing	5.52±.0028	7.97±. 0061	4.44±. 001608	12.48±. 01345	6.87±. 0042	7.54±. 0019
4. Mining & Quarrying	1.12±. 012	6.35±. 036	6.34±. 025531	3.67±. 024	8.23±. 0174	7.55±. 00576
5. Manufacturing	4.52±. 0027	4.5±. 0051	6.94±. 007579	10.15±. 0072	3.68±. 011	6.41±. 00183
5.1 Registered	5.12±. 0038	5.84±. 0119	5.98±. 009134	14.05±. 0132	3.32±. 017	7.37±. 00258
5.2 Unregistered	4.04±. 0035	3.35±. 0029	7.73±. 008766	5.57±. 00325	4.04±. 0046	5.19±. 00135
6. Construction	4.69±. 0057	2.99±. 01987	4.26±. 006503	1.3±. 0050	7.76±. 00975	3.5±. 0020
7. Electricity, gas & Water Supply	12.34±. 0090	16.89±. 009	16.99±. 02768	18.64±. 00923	0.3±. 0078	11.23±. 00495
8. Transport Storage & Communication	4.43±. 00149	3.85±. 00179	5.32±. 004473	5.03±. 0030	6.35±. 0054	5.06±. 00076
8.1 Railways	4.07±. 0020	4.27±. 0035	4.83±. 006618	3.46±. 0093	4.18±. 0158	4.02±. 001511
8.2 Transport by other Means & Storage	4.59±. 00212	3.06±. 0021	5.72±. 004983	6.03±. 00255	5.97±. 0037	5.49±. 00093
8.3 Communication	5.23±. 0021	6.24±. 0058	5.32±. 004231	3.69±. 00285	12.81±. 0156	5.65±. 022
9. Trade, hotels, & Restuarant	2.70±. 00226	2.07±. 0058	3.72±. 006583	3.97±. 0026	3.94±. 00385	3.59±. 0009
10. Banking & Insurance	7.48±. 0035	6.26±. 0058	9±. 011378	16.89±. 0111	11.97±. 0139	9.97±. 0024
11. Real Estate, Ownership of Dwellings & Business Services	2.43±. 0028	1.51±. 00001	4.99±. 008032	4.46±. 0016	1.86±. 00099	3.69±. 0012
12. Public Administration	2.45±. 0012	1.85±. 003	1.81±. 003089	9.4±. 00557	6.05±. 0065	4.81±. 0019
13. Other Services	3.12±. 0010	3.9±. 00166	2.18±. 000747	8.78±. 00713	4.86±. 00395	4.25±. 0013
Net State Domestic Product (Net State)	2.60±. 0022	2.1±. 0057	3.53±. 006301	5.09±. 0033	3.86±. 0027	3.76±. 00099
Per Capita NSDP (Rs.)	2.21± 0.0013	1.8± 0.0001	3.17± 0.00433	2.73± 0.0033	1.64± 0.00257	2.63± 0.0007

CHAPTER III

REGIONAL DISPARITIES AND AREA DEVELOPMENT PROGRAMMES

U.P. is a big State with diverse agro-climatic conditions, natural resource endowments, demographic features and historically uneven development of different regions. Traditionally, four economic regions, viz., Eastern, Western, Central and Bundelkhand are recognized in U.P. comprising 27, 26, 10 and 7 districts respectively. Apart from inter-regional disparities there are wide spread intra-regional disparities too. Balanced regional development has been one of the objectives of successive Five Year Plans. Planned efforts through different schemes have also been made over the years to reduce regional disparities. Still, the problem of regional imbalances in U.P. continues, as the Tenth Plan has commented, "Regional Disparity is still wide spread in the State" [Vol.I (Part-I), p.39]. U.P. as a whole has lagged behind other states in terms of development but within U.P. regions and districts have fared differently in achieving the goal of development. Some regions and districts have been left behind in the process of development. These areas need special attention of planners to accelerate the pace of development in the backward areas.

EXTENT OF REGIONAL DISPARITIES

We can have an idea about the regional disparities in U.P. on the basis of number of development indicators. These have been described in Annexure-I. A brief discussion on these parameters is given below:

Demographic Indicators

The density of population as per 2001 census was highest at 776 persons per sq. km. In Eastern region, followed by Western region (765), Central region (658) and the Bundelkhand region (280). Eastern region also registered highest population growth (26.35 per cent), closely followed by Western region (26.05 per cent), however, Central region (24.73 per cent) and Bundelkhand (22.32 per cent) marked lower rates of population growth during the decade of 1991-2001.

Urbanization is an important indicator of development. The 2001 Census showed that the degree of urbanization is highest at 28.25 per cent in Western region, followed by Central region (25.11 per cent), Bundelkhand (22.46 per cent) and only 11.78 per cent in Eastern region.

Social Indicators

Regional disparities are also revealed in terms of various social indicators. For example, Bundelkhand registered the highest literacy percentage at 59.3 per cent followed by Central (57.58 per cent), Western (57.36 per cent) and Eastern (54.27 per cent). Number of beds in allopathic hospitals/dispensaries (including PHCs) per lakh of population for the year 2001-02 shows that Central region leads in this with 54.53 beds to the corresponding figures, for other regions are: Bundelkhand (47.25 per cent), Western (39.09 per cent) and Eastern (37.52 per cent).

Infrastructural Facilities

A sound economic infrastructure is a must for economic development of any area. For regions of U.P. the situation in this regard is as follows: The percentage of net irrigated area to net sown area was lowest in Bundelkhand region (45.17 per cent) and highest in Western region (91.49 per cent), the reference year is 2001-02. The length of pucca roads per thousand sq. km. of area is lowest in Bundelkhand region with a road length of 291.69 km. Western region with a road length of 467.64 is at the top. Availability of banking facilities is also the lowest in Eastern region 4.4 branches per lakh of population. Central region is ahead of other regions with 5.4 branches per lakh of population. Similarly, per capita power consumption (KWh) is found to be lowest in Bundelkhand with a figure of 143.3 KWh, whereas in Western region the same figure is 190.4 KWh.

Industrial Development

Lack of slow pace of industrial development contributes to backwardness of a region. Western region happens to be the most industrially developed region with 12.2 number of registered factories per lakh of population. In contrast Eastern region has only 1.9 factories per lakh of population.

Agricultural Development

All the regions of the State are agrarian economies. However, as per 2001 census, percentage of main workers engaged in agriculture to total main workers is 56.8 per cent in Western region, whereas in Bundelkhand and Eastern regions this figure is very high at 74.52 per cent and 71.92 per cent respectively. Productivity of crops also varies across regions. Gross value of agricultural output per hectare of gross cropped area (2000-01) at current prices was Rs.26037 in Western region, while it was only Rs.11941 in Bundelkhand. There is

preponderance of marginal holdings in Eastern region (83 per cent) as compared to 68.8 per cent in Western region.

INCOME DISPARITIES

As a summary measure of overall regional disparities, per capita net domestic product is a frequently used indicator. Per capita net output from commodity producing sectors at current prices in 2000-01 was Rs.11804 in Western region followed by Central region, Rs.9387, Bundelkhand Rs.9195 and Rs.6788 in Eastern region, which is only 57.5 per cent of Western region's income.

INTRA-REGIONAL DISPARITIES

Within all the four regions, considerable intra-regional variation in the levels of development at the district level exists. For example, in the Western region, north-western districts that are in proximity of national capital Delhi are at a much higher level of development than the south-western districts. In the Central region, Lucknow-Kanpur region is far ahead of other districts. In the Eastern region Varanasi and Gorakhpur districts are relatively more developed in comparison to other districts Jhansi and to some extent Jalaun are comparatively developed in Bundelkhand region. Per capita Net Output from commodity producing sectors at constant prices of 1993-94 for 70 districts is given in the Annexure-2. It sheds light on inter-district disparities in per capita income. Significantly both co-efficient of variation and Gini-coefficient show an increase over the years. Hence, inter district disparities in per capita income can be said to have widened over time in UP.

TENTH Plan's PROGRAMMES

To tackle the special problems of the backward regions, a number of steps have been undertaken by the State Government. Since the Third Five Year Plan three regions of the State were declared backward, namely, Eastern region, Bundelkhand and Hill region (now Uttaranchal). Efforts were made to allocate a larger share of Plan funds to the backward regions of the State. The formula for distribution of district sector plan funds gave heavy weightage to socio-economic indicators of backwardness. Additionally, special schemes and funds have also been created to address the problem of backward regions. Under special area programmes a sum of Rs. 1047. 25 crores has been allocated for the duration of the 10th plan 2002-07. However, the district sector plan and other developmental programmes would also impact regional disparities. The main schemes for area development are described below:

Rashtriya Sam Vikas Yojana (RSVY)

The Government of India in the year 2002-03, introduced a new initiative of RSVY for the development of backward districts in the country. The main objective of the scheme is to address the problems of low agricultural productivity, unemployment and to fill the critical gaps in physical and social infrastructure. Under the scheme, it was proposed to provide Rs.15 crore per year to each of the districts for a period of 3 years. In the beginning of the scheme, five districts, namely, Rae Bareli, Unnao, Hardoi, Sitapur and Sonbhadra were selected. In the second phase of the scheme, five more districts, namely, Barabanki, Mirzapur, Banda, Fatehpur and Chitrakoot were selected. Finally, in the year, 2004-05, eleven more districts, namely, Jalaun, Hamirpur, Jaunpur, Kaushambi, Azamgarh, Pratapgarh, Mahoba, Gorakhpur, Kushi Nagar, Lalitpur and Chandauli were included in this scheme. This scheme could become operational only in the year 2004-05. In the Annual Plan of the State for 2004-05, a sum of Rs.315 crore has been allocated for 21 backward districts of the State under RSVY. As per information available till October 2004 only Rs.5.7 crores has been spend on this scheme. Financial and physical progress under this scheme has been weak.

Poorvanchal Vikas Nidhi and Bundelkhand Vikas Nidhi

To further the development of Eastern and Bundelkhand regions, State Government in 1990-91 created the Poorvanchal and Bundelkhand Vikas Nidhis. Under the Nidhis, schemes and projects are identified according to the local felt needs of the area at the district level. These are meant to provide infrastructural facilities to local people like construction of roads, minor bridges, drinking water facility, construction of Government buildings, installation of power sub-stations which, due to any reason, could not be funded from State or District Plans.

For the duration of the Tenth Plan, a sum of Rs.750 crore has been provided for Poorvanchal Vikas Nidhi and Rs.250 crore has been provided for Bundelkhand Vikas Nidhi. Under Poorvanchal Vikas Nidhi, in 2002-03 Rs. 147.74 crores were spend. For 2003-04, anticipated expenditure would be Rs. 149.30 crores. For 2004-05 an allocation of Rs. 150 crores has been made. Under Bundelkhand Vikas Nidhi, in the year 2002-03, Rs. 48. 93 crores were spend, while anticipated expenditure for the year 2003-04 is Rs. 41. 13 crores. For the year, 2004-05, Rs. 50 crores have been allocated. Financial progress under these Nidhi appears to be good.

REASONS FOR REGIONAL DISPARITIES

- (1) Lack of industrialization in backward regions/districts ISA PRIME CAUSE OF LOW LEVEL of development in these areas. Poor socio-economic infrastructure and low entrepreneurial skills have hindered development.
- (2) Lack of adequate irrigation facilities in Eastern and Bundelkhand regions. has been mainly responsible for low agricultural productivity and little diversification of agriculture.
- (3) Large flood prone areas in the Eastern region damage the crops every year and thus putting the farmers to tremendous loss. This problem needs to be tackled on a war footing.
- (4) Agriculture in the Bundelkhand region being largely rainfed, cropping intensity is low. The region is also drought-prone. In this area, programmes for watershed management should be given priority.
- (5) Proportion of cash crops in the gross cropped area in the Eastern and Bundelkhand regions is very low. It depresses the value of agricultural produce per hectare. It also acts as a disincentive for private investment in agriculture.
- (6) Some of the districts in the Western region are within or close to the National Capital Region. This results in higher pace of urbanization and industrialization in these districts. They also attract higher private investment. The Districts falling in the NCR have grown at a faster rate because of better infrastructure facilities and large market outlets being available.

CONCLUSIONS

- (1) U.P. is still afflicted by wide spread inter-regional and intra-regional disparities in levels of development.
- (2) These disparities appeared to have grown over time.
- (3) Efforts through special area programmes in Five Year Plans have been made to reduce disparities and ensure balanced development of the economy.
- (4) However, planned efforts have not been commensurate with the severity of the problem.
- (5) Implementation delays in some of the schemes (e.g. RSVY), have been noticed.
- (6) Better coordination with other developmental programmes is required.

SUGGESTIONS

- (1) Physical targets and corresponding achievements under special area programmes should be laid down, properly monitored and evaluated on a yearly basis by the Planning Department.
- (2) There is a need to dovetail special area programmes with other developmental programmes at the district level so that there is no duplication of effort and synergies among programmes are harnessed to optimize the use of resources.
- (3) Infrastructural facilities in the backward districts should be augmented to give impetus to development.
- (4) There should be evaluative studies to determine the effectiveness of various special area programmes in reducing regional disparities.
- (5) The experience with the RSVY, that should have been launched in 2002-03 but could be launched only in 2004-05, shows that there is a need to have adequate capacity and capability to formulate, in time, plans/programmes to take advantage of centrally sponsored schemes. For a poor and resource deficit state like U.P., such implementation delays are not appropriate.
- (6) For balanced regional development, agro-climatic conditions, special problems and potential of development of different districts/regions should be properly assessed and taken into account while formulating area development plans.

Annexure II

District wise Per Capita Income (in Rs) at 1993-94 prices in UP

Sl.no.	District	1993-94	Ranking	1999-00	Ranking	2000-01	Ranking
1	Saharanpur	7158	7	8581	6	8627	6
2	Mujaffar Nagar	7232	6	7887	11	7761	11
3	Bijnaur	7026	9	8093	9	7987	10
4	Moradabad	5435	18	6380	24	8278	9
5	Rampur	5417	19	6077	25	5864	27
6	Jyotiba Phule Nagar	..		6983	17	7126	16
7	Meerut	8162	4	10632	2	10775	2
8	Bagpat			7473	13	7661	12
9	Ghaziabad	11587	1	8822	4	9061	5
10	Gautambudh Nagar			17912	1	18111	1
11	Bulandsahar	6780	10	8210	8	8309	8
12	Aligarh	5366	20	7130	16	6963	18
13	Hathras			5779	31	5903	26
14	Mathura	6504	11	8311	7	8352	7
15	Agra	6066	14	7806	12	7133	15
16	Firojabad	4212	37	5727	33	5975	25
17	Eta	4787	27	5748	32	5522	31
18	Mainpuri	4373	34	5405	37	5313	37
19	Bandayun	4135	38	4997	40	5303	38
20	Bareilly	5832	15	6534	23	6631	20
21	Pilibheet	6242	13	6831	20	6991	17
22	Shahjahanpur	5620	16	6009	27	6261	22
23	Khiri	5236	22	6026	26	5729	29
24	Sitapur	4397	33	4654	45	5099	42
25	Hardoi	3703	43	4089	48	4048	51
26	Unnao	3965	42	4033	50	4220	49
27	Lucknow	7061	8	8692	5	9702	3
28	Raibareli	4010	40	4055	49	3972	53
29	Farrukhabad	4120	39	5885	30	5778	28
30	Kannauj			4736	43	4833	43
31	Etawah	4242	35	5901	29	5486	33
32	Auraiya			4744	42	4560	44
33	Kanpur Dehat	4899	25	6629	21	6139	23
34	Kanpur Nagar	7414	5	7362	14	7157	14
35	Jalaun	4991	23	6563	22	5499	32
36	Jhansi	9771	3	8013	10	7618	13
37	Lalitpur	5316	21	5624	34	5168	40
38	Hameerpur	5611	17	6840	19	5724	30
39	Mahoba			6929	18	6107	24
40	Banda	4641	30	5063	38	5340	36
41	Chitrakut			3818	53	3522	59
42	Fatehpur	4644	29	5054	39	5343	35
43	Pratapgarh	3075	50	3529	60	3476	61
44	Kaushambi			3756	55	4081	50

45	Allahabad	4585	32	6007	28	6294	21
46	Baraanki	4645	28	5427	36	5115	41
47	Faizabad	3468	45	3926	51	3993	52
48	Ambedkar Nagar			3301	66	3269	68
49	Sultanpur	4958	24	3893	52	4236	48
50	Bahraich	3207	49	3400	65	3333	67
51	Shrawasti			2886	70	3142	69
52	Balrampur			3014	69	3379	65
53	Gonda	4844	26	3422	63	3473	62
54	Siddharthanagar	2458	54	3635	59	3343	66
55	Basti	3022	52	3658	57	3585	57
56	Sant Kabir Nagar			3054	68	2854	70
57	Maharajganj	3967	41	4710	44	4394	46
58	Gaorakhpur	3520	44	4321	47	4268	47
59	Kushinagar			3636	58	3692	55
60	Deoria	3332	48	3517	61	3520	60
61	Azamgarh	3443	46	3798	54	3710	54
62	Mau	4225	36	4855	41	5397	34
63	Balia	3072	51	3421	64	3434	64
64	Jaunpur	2970	53	3488	62	3683	56
65	Gajipur	3381	47	3756	55	3552	58
66	Chandauli			4589	46	4552	45
67	Varanasi	6333	12	7184	15	6742	19
68	Sant Ravidas Nagar			3155	67	3455	63
69	Mirzapur	4618	31	5553	35	5228	39
70	Sonbhadra	10855	2	9255	3	9095	4
	Maximum	11587		17912		18111	
	Minimum	2458		2886		2854	
	Mean	5183.94444		5716.9		5703.514	
	SD	1901.17172		2350.616		2376.814	
	CV (%)	36.6742302		41.11698		41.6728	
	NO of Districts	54		70		70	
	GINI Co-efficient	0.19030863		0.206504		0.206546	

ANNEXURE III

Districts Arranged in Descending Order of Per Capita Income

Rank **District** **Per Capita Income**
(Rs.) at 1993/94 prices

2000-2001

1	Gautambudh Nagar	18111
2	Meerut	10775
3	Lucknow	9702
4	Sonbhadra	9095
5	Gaziabad	9061
6	Saharanpur	8627
7	Mathura	8352
8	Bulandsahar	8309
9	Moradabad	8278
10	Bijnaur	7987
11	Mujaffar Nagar	7761
12	Bagpat	7661
13	Jhansi	7618
14	Kanpur Nagar	7157
15	Agra	7133
16	Jyotiba Phule Nagar	7126
17	Pilibheet	6991
18	Aligarh	6963
19	Varanasi	6742
20	Bareilly	6631
21	Allahabad	6294
22	Shahjahanpur	6261
23	Kanpur Dehat	6139
24	Mahoba	6107
25	Firojzabad	5975
26	Hathras	5903
27	Rampur	5864
28	Farrukhabad	5778
29	Khiri	5729
30	Hameerpur	5724
31	Eta	5522
32	Jalaun	5499
33	Etawah	5486
34	Mau	5397
35	Fatehpur	5343
36	Banda	5340
37	Mainpuri	5313
38	Bandayun	5303
39	Mirzapur	5228
40	Lalitpur	5168
41	Barabanki	5115
42	Sitapur	5099
43	Kannauj	4833
44	Auraiya	4560
45	Chandauli	4552
46	Maharajganj	4394

47	Gaorakhpur	4268
48	Sultanpur	4236
49	Unnao	4220
50	Kaushambi	4081
51	Hardoi	4048
52	Faizabad	3993
53	Raibareli	3972
54	Azamgarh	3710
55	Kushinagar	3692
56	Jaunpur	3683
57	Basti	3585
58	Gajipur	3552
59	Chitrakut	3522
60	Deoria	3520
61	Pratapgarh	3476
62	Gonda	3473
63	Sant Ravidas Nagar	3455
64	Balia	3434
65	Balrampur	3379
66	Siddharthanagar	3343
67	Bahraich	3333
68	Ambedkar Nagar	3269
69	Shrawasti	3142
70	Sant Kabir Nagar	2854

CHAPTER IV POVERTY AND UNEMPLOYMENT

I. PROFILE OF POVERTY IN U.P.

Alleviation of poverty has been one of the primary objectives of planning and development policy operationalised through Five Year Plans at national and state level. Even the directive principles of state policy laid down in our constitution, inter-alia, require the state to minimize the inequalities in income, to provide facilities and opportunities, to ensure right to an adequate means of livelihood and equitable distribution of material resources, to prohibit concentration of wealth and means of production and to raise the level of nutrition and the standard of living. Therefore, raising standard of living of population and removal of poverty and unemployment continue to be the focus of planning in India. However, even after half a century of planned efforts, the twin problems of unemployment and poverty continue to demand high attention from planners. These problems are present in more acute form in a backward state like U.P. It would be instructive to have a look at the trend and pattern of incidence of poverty in the State. The estimates of poverty, based on minimum nutritional requirements of 2400 calorie per capita per day in rural areas and 2100 calorie in the urban areas, for the years, 1973-74 to 1999-2000, based on N.S.S.O. consumer surveys for the state as well as for All India are given in Annexure-I.

From a perusal of the table certain salient points can be inferred. These may be put as under:

- 1) The Head Count Ratio (HCR), signifying the incidence of poverty in the state declined from about 57% in 1973-74 to about 31% in 1999-2000. It indicates a reduction of 26% points in this period i.e. on an average of 1% decline every year. The corresponding reduction in rural and urban areas works out to be about 25% and 29% respectively.
- 2) The reduction in the absolute number of poor people has been highest (about 74 lakh) during the period 1993-2000.
- 3) The pace of decline in the incidence of poverty has been slower compared to that at the all India level.
- 4) The population below poverty line in the State in 1973-74 was 16.67% of the corresponding population of All India. However, the same increased 20.36% in 1999-2000. It indicates deterioration in U.P.'s relative poverty position over the years.

- 5) All through the period under review the absolute number of poor people in U.P. continues to be above 500 lakh. It shown that the size of the poverty in the state is huge.
- 6) Rural poor still constitutes 78% of the total poor population in the state. The high incidence of poverty in the state can be attributed to the constellation of certain mutually reinforcing forces like low literacy, higher population growth. Excessive dependence on agriculture, low quality of human resources, disparities in the distribution of assets and income, low investment and sluggish economic growth.

SOCIAL PROFILE OF POVERTY IN U.P.

An analysis of the poverty estimates shows that social dimension of poverty is also important. There are certain social groups where incidence of poverty is very high. The following tables present the relevant information in this regard:

Social Profile of Poor (Caste-wise) (H C R)

(%)					
Year	ST	SC	OBC	Others	Total
1993-1994	0.8	33.7		65.5	100.0
1999-2000	1.4	34.6	47.6	16.5	100.0

Social Profile of Poor (Work-category) (HCR)

	(%)	
Category	1993-1994	1999-2000
Artisans	14.1	17.2
Agr. labour	26.5	29.9
Non-Agr. labour	6.0	6.9
SE in Agr.	49.5	40.1
Others	3.9	5.9
Total	100.0	100.0

Poverty Among Religious Groups HCR (1999-2000)

	(%)		
	Hindu	Muslim	Total
Rural	31.27	30.84	31.01
Urban	26.43	42.17	30.76

The above data imply that in poverty alleviation programmes social aspect of poverty should not be ignored. In rural areas artisans and agricultural laborers are most severely affected by poverty. Similarly Muslims in urban areas suffer greater degree of poverty. Therefore, these groups along with SC&ST need special attention.

TARGETS FOR THE TENTH FIVE-YEAR PLAN

The plan has targeted to bring down the HCR of poverty from 29.51% in the base year 2001-02 to 25.41% in the terminal year 2006-07. In absolute terms this translates to bringing down the number of poor people from 525.38 lakh in 2001-02 to 471.57 lakh in 2006-07. However, rural poor would still constitute 76% of the total population of poor people

According to the preliminary results available from the N.S.S.O. 57th and 58th rounds of surveys it appears that poverty may have declined. (Annexure IV & Annexure V)

STRATEGY FOR POVERTY ALLEVIATION:

Strategy being followed at National and State level can be called a '**growth plus strategy**' on the one hand it is built on the assumption that the 'trickle-down effects' of the general growth process will also reach poor people in some measure and on the other hand, this is sought to be supplemented by special poverty alleviation and employment generation Programmes targeted at specific poverty groups. Over the years, there has been a plethora of Programmes/schemes for poor people, launched by the central and State Governments. Indeed, the Governments seems to be suffering from excesses of Programmes and are following a cycle of 'proliferation and then integration' of Programmes. Most of these Programmes suffer from poor implementation and faulty delivery mechanism, hence the intended benefits suffer from many leakages and deprive the poor people of their legitimate gains.

In view of the enormity and complexity of the task of poverty alleviation, a multi-pronged approach is required which should ensure the following:

1. **Acceleration of the present low rate of growth** of the state's economy is a must to make a dent on poverty.
2. Programmes **that enhance skills and capabilities of poor people** should be given priority. This will enable them to participate fully in the market economy and benefit from the opportunities it offers. Sectors like health and education need more public investment.
3. **Social security measures and safety nets that secure entitlements** for poor people should be effectively implemented with full participation of the beneficiaries.
4. **Emphasis should be given to creation of assets that would generate income** to people on a sustainable basis.
5. **Synergies among various developmental Programmes** should be harnessed for optimum utilization of resources.
6. **Urban local bodies and Panchayti Raj** Institutions should be empowered and involved in greater degree in the execution of anti-poverty programmes.

II- EMPLOYMENT AND UNEMPLOYMENT

Providing gainful employment to the growing labour force is a major challenge before the State's economy. Five Year Plans both at the national and state levels have taken cognizance

of the problem and initiated many programmes to tackle the problem of unemployment in various segments of population. The Tenth Five Year Plan of U.P. has accorded the third highest priority (after agriculture and infrastructure) to generation of employment. It said, "measures designed to generate remunerative and productive employment to promote a shift of workforce from agriculture to other sectors and to contribute to growth in the economy at the same time will receive the next highest priority in the plan." Further, as part of the monitorable targets of Tenth Plan it has been listed as, "creation of 81 lakh employment opportunities during the Tenth Plan which would be sufficient to provide jobs to the backlog of unemployment at the end of the Ninth Plan and to the additional labour force during the Tenth Plan period."

A two-pronged strategy has by and large been followed in the Plans to generate employment opportunities and solve the problem of unemployment. One aspect of this is to accelerate the rate of growth of the economy to result in greater number of jobs in the economy. Another aspect of this is to initiate special employment programmes, e.g. Swarn Jayanti Gram Swarozgar Yojna, Sampoorna Gramin Rozgar Yojna, Indira Awas, PMGY, PMGSY etc. These programmes have been launched to tackle the twin problems of poverty and unemployment. These programmes have had moderate success in achieving their goals.

To grasp the situation in regard to employment growth in U.P. and prospects for employment generation during the Tenth Plan (2002-2007), we can look at the trends in employment growth in U.P., as per Census figures.

TRENDS IN EMPLOYMENT GROWTH

According to 1991 Census, the number of main workers in the State were 388.81 lakh (excluding Uttaranchal). In 2001, the number of main workers in the State increased to 394.53 lakh (excluding Uttaranchal), thus recording a very low annual growth rate of 0.15 per cent in comparison to an annual growth rate of 2.47 per cent in 1981-91 (including Uttaranchal). However, marginal workers marked a high growth rate of 16.85 per cent during 1991-2001 (excluding Uttaranchal). In contrast the rate of growth of marginal workers was only 7.58 per cent (including Uttaranchal). The percentage of marginal workers increased to 27 per cent in 2001 from 7 per cent in 1991. **It shows that there has been deterioration in the quality of employment in the last decade.**

OCCUPATIONAL STRUCTURE OF WORKERS

The activity-wise distribution of workers as per Census 2001, shows that agriculture sector still plays its main role in the economy of the state of the total workers, 65.60 per cent are agricultural workers and 34.60 per cent are non-agricultural workers. Among agricultural workers, there has been an absolute decline in the number of cultivators, whereas, rate of growth of agricultural labour has also declined between (1991-2001) compared to (1981-91). The rates of growth of workers in household industry and others have marked an increase in 1991-2001 compared to 1981-91. It can be said that a sectoral shift in favour of non-agricultural occupations can be discerned in U.P. (Annexure 1).

These findings are also confirmed by the results of NSS surveys. 55th round of survey (1999-2000) has brought out that duringn 1993-94 to 1999-2000, the number of persons engaged in agriculture declined absolutely. High annual rates of growth were registered in the sectors like, construction, wholesale and retail trade, restaurants and hotels as also in transport, storage and communication. However, there was a negative growth in services. Overall rate of growth of employment on the basis of usual status was only 1.02 per cent during 1993-94 to 1999-2000, as compared to 2.53 per cent during 1977-78 to 1987-88 (Annexure-II). This again shows that employment generation has not been commensurate with the requirements.

Information thrown by different rounds of NSS also shows a declining trend in self-employment and a definite trend of increase is found in the proportion of casual workers in the last more than two and a half decades. However, percentage of workers in regular employment shows a slight increase during 1993-94 — 1999-2000.

TRENDS IN UNEMPLOYMENT

This can be ascertained from the information provided by NSS surveys. Rates of unemployment on current daily status basis have been observed to be as follows:

Rounds	Unemployment Rate (%) (Current Daily Status)
27 th (1972-1973)	3.75
32 nd (1977-1978)	4.33
38 th (1983)	4.71
43 rd (1987-1988)	3.73
50 th (1993-1994)	3.46
55 th (1999-2000)	4.48

There seems to be an increase in unemployment during the last decade. According to 55th round of NSS, rate of unemployment on the usual status basis, was observed to be 2.09 per cent.

It should be kept in mind that in a poor, backward state like U.P. besides, open unemployment, there is also large-scale underemployment. According to 55th round of NSS, the total number of underemployed in the state is about 112 lakh of which 96 lakh are in rural areas, and 16 lakh are in urban areas.

The number of persons registered on the live registers of Employment Exchanges stood at 18.64 lakh in 2001, in contrast to 20.38 lakh in 2000. Surprisingly in 1990, the number of job seekers was 31.9 lakh in 1990 as per Employment Exchange statistics. The lack of job opportunities through Employment Exchanges in the organised sector might have de-motivated unemployed youth to get themselves registered in the Employment Exchange.

EMPLOYMENT GENERATION DURING THE TENTH PLAN

The employment generation is directly linked with the growth of income. In broad terms, employment generation in the specific period can be calculated with the help of employment elasticity. The Tenth Plan assumed an employment elasticity of 0.38. Given the target rate of growth of income at 8 per cent per annum. The likely rate of growth of employment per annum can be taken to be 3.04 per cent. On this basis, the total employment generation during 2002-07 was expected to be 81 lakh. Given the low growth registered by State's economy, during the first two years' of Tenth Plan, it is unlikely that employment generation could have been of the order assumed at the beginning of the plan. This points to the fact that unemployment situation would have been further aggravated in the State.

SUGGESTIONS

Keeping in mind the requirements of employment generation during the Tenth Plan and need to have a viable strategy for tackling the twin problems of poverty and unemployment, the following suggestions may be relevant:

- (1) During the remaining period of the Tenth Plan, all efforts should be made to achieve a higher rate of growth. Acceleration of growth is absolutely necessary for creation of adequate number of job opportunities.
- (2) Public and private investment should be channelized into those sectors, where labour

processing industries, Information technology, communication, small and medium enterprises, trade and commerce etc. Private investment in these sectors should be encouraged through fiscal and administrative measures.

- (3) There are large gaps in social and infra-structural facilities in the state. Education, health, power, irrigation, housing, road construction are the sectors in which there is a big scope for absorption of the skilled, semi-skilled and un-skilled labour force. Therefore, infrastructural sectors should receive more public investment.
- (4) Expansion of rural non-farm employment through diversification of agriculture and allied activities should be given priority.
- (5) Generation of increased employment opportunities for rural and urban youth through self-employment Programmes should be emphasized.
- (6) There is a great need to effect improvement in the quality of implementation of special employment Programmes by strengthening the planning, monitoring capabilities at the district and PRIs level.
- (7) Special Programmes for the vulnerable sections of the society should be expanded and closely monitored
- (8) The credit-deposit ratio in U.P. is very low hence micro-credit facilities should be expanded to encourage private investment especially by farmers, small and medium entrepreneurs.

Annexure -I

NUMBER & PERCENTAGE OF POPULATION BELOW POVERTY LINE DURING DIFFERENT NSS ROUND BY U.P. AND ALL INDIA

NSS ROUND	Uttar Pradesh						All India					
	Rural		Urban		Combined		Rural	Urban	Combined	Rural	Urban	Combined
	No. of persons	% of persons	No. of persons	% of persons	No. of persons	% of persons	No. of persons	% of persons	No. of persons	% of persons	No. of persons	% of persons
1973-74	449.99	56.23	85.74	60.09	535.73	57.07	2612.90	56.44	600.46	49.01	3213.36	54.88
1977-78	407.41	47.60	96.96	56.23	504.37	49.05	2642.47	53.07	646.48	45.24	3288.95	51.32
1983-84	448.03	46.45	108.71	49.82	556.74	47.07	2519.57	45.85	709.40	40.79	3228.97	44.48
1987-88	429.74	41.10	106.79	42.96	536.53	41.46	2318.79	39.09	751.69	38.20	3070.48	38.86
1993-94	496.18	42.28	108.28	35.39	604.46	40.85	2440.31	37.27	763.37	32.36	3203.68	35.97
1999-2000*	412.01	31.22	117.88	30.89	529.89	31.15	1932.43	27.09	670.07	23.62	2902.50	26.10

Annexure II

Distribution of workers by industry (Census 19981-1991)

Sector	Workers (in lakh)			Decadal Increase	Annual growth rate
	1981*	1991*	1991**	1981-91	1981-91
Total Workers	323.97	413.61	388.81	89.64	2.47
1. Cultivators	189.58	220.31	206.86	30.73	1.51
2. Agricultural Labourers	51.77	78.33	76.09	26.56	4.23
3. Plantation/Forestry/Fisheries Livestock and hunting	1.77	2.96	2.41	1.19	5.28
4. Mining/Quarring	0.20	0.35	0.3	0.15	5.76
5. Manufacturing including household industry	29.22	32.05	30.57	2.83	0.93
6. Construction	3.30	5.11	4.35	1.81	4.47
7. Trade/Commerce	14.69	25.51	23.97	10.82	5.67
8. Transport Storage/communication	6.50	7.71	7.15	1.21	1.72
9. Other services	26.79	41.28	37.11	14.49	4.42

* Including Uttaranchal

** Excluding Uttaranchal

Annexure III

Distribution of Persons on the basis of usual status (PS+SS) by industry in U.P.

Sl.no.	Industry	Number of persons (in lakhs)				Annual growth rate	
0	Agriculture	262	322	354	347	2.08	-0.33
1	Mining and Quarrying	-	-	-	-	-	-
2 & 3	Manufacturing	35	44	48	60	2.31	3.79
4	Electricity	-	1	1	1	-	-
5	Construction	6	11	12	21	6.25	9.78
6	Whole sale and retail trades restaurant and hotels	22	31	37	54	3.49	6.50
7	Transport Storage and communication	8	10	13	17	2.26	4.57
8 & 9	Services	26	42	47	44	4.91	-1.09
	Total	359	461	512	544	2.53	1.02

Annexure IV

Per 1000 Distribution of Persons by MPCE Classes- Uttar Pradesh

MPCE CLASS	URBAN		Cumulative Frequency	
	57th Rd	58th Rd		
	2001-02	2002-03	2001-02	2002-03
0-300	78	41	78	41
300-350	62	40	140	81
350-425	137	126	277	207
425-500	114	113	391	320
500-575	114	124	505	444
575-665	80	79	585	523
665-775	90	80	675	603
775-915	84	84	759	687
915-1120	88	97	847	784
1120-1500	86	96	933	880
1500-1925	35	53	968	933
1925+	32	68	1000	1001
all	1000	1000		
Average MPCE	729	879		

Per 1000 Distribution of Persons by MPCE Classes- Uttar Pradesh

MPCE CLASS	RURAL		Cumulative Frequency	
	57th Rd	58th Rd		
	2001-02	2002-03	2001-02	2002-03
0-225	82	35	82	35
225-255	26	41	108	76
255-300	153	90	261	166
300-340	127	107	388	273
340-380	192	112	580	385
380-420	81	103	661	488
420-470	94	116	755	604
470-525	40	94	795	698
525-615	84	117	879	815
615-775	57	95	936	910
775-950	37	46	973	956
950+	27	44	1000	1000
all	1000	1000		
Average MPCE	423	486		

CHAPTER V

कृषि एवं सहायक क्षेत्र

देश की अर्थव्यवस्था में नियोजन काल के दौरान आर्थिक वृद्धि एवं संरचनात्मक परिवर्तन दोनों रूप में व्यापक परिवर्तन देखने को मिलता है, परन्तु यदि हम उत्तर-प्रदेश की अर्थव्यवस्था पर गौर करें तो ज्ञात होता है कि यहां पर विकास तो हुआ है, परन्तु विकास की दिशा और गति अपेक्षा के अनुरूप नहीं है। यद्यपि इसके लिए अर्थव्यवस्था के सभी घटक जिम्मेदार हैं, इस अध्याय में कृषि क्षेत्र एवं इससे सम्बन्धित क्षेत्र पर केन्द्रित करते हैं। वास्तव में प्राथमिक क्षेत्र के अन्तर्गत कृषि, पशुपालन, मत्स्य पालन, वन उद्योग तथा लट्ठे बनाना और खनन तथा पत्थर निकासी आदि शामिल हैं। क्योंकि इन सभी के उत्पादन में प्रकृति की भूमिका निर्णायक मानी जाती है। यह अलग बात है कि अब मानव प्रयासों की भूमिका का महत्व इन गतिविधियों में बढ़ता जा रहा है। यहां मुख्य रूप से वर्तमान अध्ययन को दृष्टिगत रखते हुए कृषि का वर्णन किया जा रहा है।

उत्तर-प्रदेश की अर्थव्यवस्था में समग्र रूप से विकास दर काफी कम है। आर्थिक विकास की वार्षिक दर 1980-90 के दौरान 4.8 प्रतिशत थी, जो बाद के वर्षों में घटकर 4.0 ही रह गयी है। इसके लिए प्रमुख रूप से माध्यमिक और तृतीयक क्षेत्र जिम्मेदार हैं, क्योंकि इनकी गति में व्यापक कमी आयी है। इसके बावजूद हम कृषि क्षेत्र की अनदेखी नहीं कर सकते। प्राथमिक क्षेत्र की वृद्धि दर 1980-90 के दौरान 2.5 प्रतिशत वार्षिक थी जो 1990-2000 के दौरान घटकर 2.4 प्रतिशत रह गयी है। परन्तु यदि हम 1993-02 की अवधि का आंकलन करते हैं तो प्राथमिक क्षेत्र की वार्षिक वृद्धि दर बढ़कर 3.2 प्रतिशत हो गयी है।

यहां तालिका-01 को देखने से ज्ञात होता है कि कृषि एवं पशुपालन की वृद्धि दर 1980-90 के दौरान 2.7 प्रतिशत वार्षिक के मुकाबले घटकर 1993-2002 के बीच 2.5 प्रतिशत ही रह गयी है। इसके विपरीत मत्स्य पालन की वृद्धि दर में गिरावट के बाद भी 1993-2002 के दौरान वृद्धि दर 7.5 प्रतिशत थी। वन उद्योग तथा लट्ठे बनाने में व्यापक ऋणात्मक परिवर्तन के पश्चात उपरोक्त अवधि में वृद्धि दर सर्वोच्च 25.3 प्रतिशत थी। इन तथ्यों से इस बात का आभास मिलता है कि उत्तर-प्रदेश के वर्तमान आर्थिक परिवेश में कृषि क्षेत्र की भूमिका गौड़ होती जा रही है, जबकि अन्य छोटे उप क्षेत्रों जैसे मत्स्य पालन आदि का महत्व बढ़ रहा है, क्योंकि इनका प्रदर्शन काफी बेहतर हो रहा है। हम कृषि क्षेत्र की तथ्यपरक एवं विस्तृत समीक्षा अब दसवीं पंचवर्षीय योजना के लक्ष्यों को ध्यान में रखकर करेंगे ताकि मध्यकालीन समीक्षा का लाभ बाकी के दो वर्षों में उठाया जा सके। साथ ही इस प्रवृत्ति की विशेषता का समावेश ग्यारहवीं पंचवर्षीय योजना में ज्यादा प्रभावी ढंग से किया जा सके।

कृषि विकास दर एवं समता सूचकांक

जैसा कि यह बात स्पष्ट है कि उत्तर-प्रदेश की अर्थव्यवस्था कृषि पर आवश्यकता से अधिक निर्भर करती है, जहां एक ओर देश में एवं अन्य प्रदेशों में कृषि क्षेत्र विकसित होने के साथ साथ अपेक्षाकृत अधिक तीव्रगति से बढ़ने को अग्रसर है। उत्तर-प्रदेश में यह स्थिति फिलहाल निकट भविष्य में साकार होती नहीं दिख रही है। समग्र रूप से उत्तर प्रदेश में कृषि उत्पादन के स्वरूप को

तालिका-02 से समझा जा सकता है। इसको देखने से इस बात का स्पष्ट आभास हो जाता है कि उत्तर-प्रदेश में विकास दर में गिरावट के लिए कृषि क्षेत्र किस हद तक जिम्मेदार रहा है। कृषि उत्पादन सूचकांक (आधार वर्ष 1970-71=100) का पहली अवधि (1984-85 से 1989) के दौरान वार्षिक चक्रवर्धी दर 2.52 प्रतिशत थी। जो कि दूसरी अवधि (1993-94 से 2001-02) के दौरान (आधार वर्ष 1993-94=100) घटकर 1.92 प्रतिशत ही रह गयी है। इस तरह अपेक्षित उत्थान के बजाए कृषि क्षेत्र में गिरावट का रुख स्पष्ट होता है। इस गिरावट के लिए प्रमुख रूप से नकदी फसलें जिम्मेदार रही हैं। जहां पहली अवधि में खाद्यान्नों की उत्पादन वृद्धि दर 2.85 प्रतिशत थी वह घटकर दूसरी अवधि में 2.33 प्रतिशत ही रह गयी। इसके विपरीत नकदी फसलों में व्यापक गिरावट के कारण पहली अवधि के 2.88 प्रतिशत के मुकाबले दूसरी अवधि में 1.52 प्रतिशत ही रह गयी। इस प्रकार जहां पहली अवधि में खाद्यान्न और नकदी फसलों के उत्पादन की वृद्धि दर लगभग समान थी। दूसरी अवधि में दोनों में गिरावट आयी और नकदी फसलों में व्यापक गिरावट दर्ज की गयी। इसके अलावा कुछ अन्य चिन्तनीय रुख कृषि उत्पादन में परिलक्षित हो रहे हैं। खाद्यान्न उत्पादन में गेहूं व चावल मुख्य रूप से योगदान दे रहे हैं, जिसमें चावल के उत्पादन में सर्वाधिक वृद्धि हो रही है। परन्तु यहां चिन्ता की बात यह है कि दालों के उत्पादन में लगातार कमी आ रही है। इसीलिए जहां इसके उत्पादन में पहली अवधि में 1.02 प्रतिशत की दर से कमी रही वहीं दूसरी अवधि में 0.71 प्रतिशत की दर से कमी आ रही है। इस तरह दालों का वास्तविक उत्पादन लगातार सिमटता जा रहा है। इसी तरह नकदी फसलों में तिलहन एक प्रमुख फसल है। इसमें भी लगातार कमी आ रही है। जहां इसके उत्पादन में पहली अवधि में 0.45 प्रतिशत वार्षिक की दर से कमी आ रही थी, वहीं यह ऋणात्मक रुख व्यापक होकर दूसरी अवधि में 2.92 प्रतिशत वार्षिक की दर से कमी को प्रगाढ़ कर रहा है। इसलिए कृषि उत्पादन सूचकांक में संरचनात्मक परिवर्तन आ रहा है जिसमें खाद्यान्नों की भूमिका बढ़ रही है। खाद्यान्नों में भी दालों की भूमिका सीमित हो रही है। वहीं दूसरी ओर नकदी फसलों में तिलहन की भूमिका में व्यापक कमी आ रही है। पशुचारा की भूमिका में वृद्धि हो रही है, नगदी फसलों में फल और सब्जी तथा गन्ने का योगदान बढ़ रहा है। फल एवं सब्जी की वार्षिक उत्पादन वृद्धि दर पहली अवधि में जहां 0.39 प्रतिशत ही थी, दूसरी अवधि में बढ़कर 3.10 प्रतिशत हो गयी। परन्तु इन्हीं अवधियों में गन्ने की उत्पादन वृद्धि 4.21 प्रतिशत से घटकर 2.12 प्रतिशत ही रह गयी है। इस प्रकार ऐसा लगता है कि कृषि उत्पादन में वृद्धि की दर मन्द हो रही है। इसके कई कारण हो सकते हैं जिनको बाद में देखा जा सकता है।

फिलहाल तालिका.03 से एक तथ्य और उजागर हो रहा है कि उत्तर.प्रदेश में निम्न मूल्य आवर्द्धन वाली फसलों का ही प्रमुखता से उत्पादन हो रहा है। उत्तर-प्रदेश का कृषीय क्रय विक्रय समता सूचकांक (आधार वर्ष 1970-71=100) एक प्रकार से व्यापार शर्तों को दर्शाता है। यद्यपि अब इसको नये आधार वर्ष पर प्रस्तुत करने की अविलम्ब आवश्यकता है। यह समता सूचकांक सदैव ही कृषि क्षेत्र के प्रतिकूल रहा है, जबकि भारतीय अर्थव्यवस्था में यह कृषि क्षेत्र के अनुकूल रहता है। उत्तर प्रदेश में प्रतिकूल परिस्थिति इसलिए रहती है क्योंकि कृषको को उनकी उपज का जो मूल्य प्राप्त होता है, उससे ज्यादा उन्हें गैर कृषि क्षेत्र को मूल्य चुकाने में अदा करना पड़ता है। कृषकों को कम मूल्य प्राप्त होने का प्रमुख कारण है कि वे सस्ती फसलों का उत्पादन ज्यादा करते हैं। मंहगी और नकदी फसलों पर कृषि का जोर कम है। वर्ष 1991-92 से 2002-03 तक कृषको को प्राप्त होने वाले मूल्यों में वार्षिक वृद्धि दर 6.02 प्रतिशत थी, जिसकी वजह से समता सूचकांक में 0.39 प्रतिशत की दर से गिरावट दर्ज की गयी है। यह सारी परिस्थितियां दसवीं पंचवर्षीय योजना में कमोवेश नजर आती हैं जिनकी समीक्षा हम विभिन्न रूपों में आगे करेंगे।

कृषि उत्पादन और उत्पादकता की समीक्षा

उत्तर-प्रदेश में दसवीं पंचवर्षीय योजना (2002-2007) के दौरान कृषि लक्ष्यों की समीक्षा करना आसान हो जाता है। जब हमें यह जानकारी प्राप्त हो चुकी हो कि उत्तर प्रदेश में आर्थिक वातावरण उत्साहवर्धक नहीं है और जिसकी गति तेज होने के बजाए शिथिल होती जा रही है। यह बात कृषि क्षेत्र पर भी लागू होती है। इसको तालिका-04 में स्पष्ट रूप से देखा जा सकता है।

नवीं पंचवर्षीय योजना (1997-2002) के दौरान खाद्यान्न उत्पादन का लक्ष्य 523.7 लाख टन रखा गया था, परन्तु वास्तविक उत्पादन 441.9 लाख टन ही हो पाया। इस प्रकार नवीं योजना खाद्यान्न उत्पादन लक्ष्य से 15.6 प्रतिशत पीछे छूट गयी। यह तथ्य रबी तथा खरीफ दोनों फसलों के लिए लागू था। खरीफ का उत्पादन जहां अपने लक्ष्य से 13.7 प्रतिशत पीछे छूट गया वहीं रबी में यह 16.7 प्रतिशत पीछे रह गया। यही नहीं यह कुछ अन्तरों के साथ सभी खाद्यान्न फसलों पर एक साथ लागू होता है। फिर भी चावल व गेहूं में गिरावट औसत से कम है क्योंकि चावल में लक्ष्य से 10.3 प्रतिशत तथा गेहूं में 14.8 प्रतिशत की कमी दर्ज की गयी है। मोटे अनाजों तथा दालों में तो व्यापक कमी दर्ज की गई है। दालों में लक्ष्य की तुलना में उत्पादन 34.6 प्रतिशत कम रहा है, यह अपने आप में सर्वाधिक है। नगदी फसलों के अर्न्तगत दो प्रमुख फसलों तिलहन व कपास की हालत तो नवीं योजना में और भी खराब रही है, क्योंकि जहां तिलहन उत्पादन अपने लक्ष्य का 11.7 प्रतिशत ही रहा। यहां यह बात हो सकती है कि 2001-02 में सूखे के कारण स्थिति खराब हुई है, तब तो दसवीं पंचवर्षीय योजना में कृषि उत्पादन को और तीव्रता प्राप्त होनी चाहिए।

परन्तु दसवीं पंचवर्षीय योजना की अपनी स्थिति भी अब तक की सूचनाओं के आधार पर सन्तोषजनक प्रतीत नहीं होती है। दसवीं पंचवर्षीय योजना की प्रथम दो वार्षिक योजनाओं (2002-03 और 2003-04) की उपलब्ध सूचनाओं से तो यही प्रतीत होता है कि हम किसी भी फसल के उत्पादन लक्ष्य को हासिल कर पाने में असमर्थ रहे हैं। चाहे वह खाद्यान्न हो या फिर नकदी फसलें जिनके बारे में सूचना उपलब्ध है। वर्ष 2002-03 के दौरान वर्षा की कमी के कारण अल्प उत्पादन की बात को समझा जा सकता है। परन्तु 2003-04 में भी सभी फसलों यथा खाद्यान्न हो या नकदी फसलें में लक्ष्य से पीछे बने रहना यह प्रदर्शित करता है कि हम कहीं न कहीं अपने प्रयास उत्पादन लक्ष्य की तुलना में नहीं कर पा रहे हैं।

दरअसल उत्तर प्रदेश की कृषि नीति (1999) के अनुसार प्रदेश को राष्ट्र का अन्नपूर्णा बनाने का लक्ष्य है साथ ही दालों और नकदी फसलों में बढोत्तरी और कृषि विविधीकरण द्वारा राज्य की आय को सार्थक सम्बल प्रदान करने की कोशिशें भी कृषि क्षेत्र द्वारा नहीं हो पा रही हैं। इस कमी के पीछे कई प्रकार के कारण हैं, इनमें प्रमुख हैं:- भूमि की उपलब्धता और वितरण, तकनीकी विकास, सुविधाओं की उपलब्धता, संस्थागत सहायता और विकास, बाजार की परिस्थितियाँ और कृषि पर निर्भरता, तकनीकी जानकारी सूचना तन्त्र व सहायता (extension services) इत्यादि।

उत्तर-प्रदेश में भूमि पर अत्यधिक दबाव है, इसके दो प्रमुख कारण हैं। प्रथम तो प्रदेश की आबादी तेजी से बढ़ रही है, दूसरा यह कि गैर कृषि क्षेत्रों में आबादी वृद्धि के अनुरूप रोजगार के अवसर उपलब्ध नहीं हो पा रहे हैं। वर्तमान स्थिति ऐसी है कि कुल कृषि जोतों का तीन चौथाई से भी अधिक सीमान्त जोत है, जबकि 15 प्रतिशत अति लघु जोत हैं। इन दोनों के पास सम्मिलित रूप से लगभग 60 प्रतिशत कृषि क्षेत्रफल है। इस तरह के जोत कृषि के विविधीकरण का भी पूरा लाभ उपलब्ध नहीं ले पाता है। धनाभाव एवं अन्य कठिनाइयों के कारण ऊसर भूमि सुधार एवं अनुपयुक्त भूमि उपयोग के कारण भूमि क्षरण आदि की समस्या भी बढ़ रही है। इस तरह की भूमि को कृषि उत्पादन के लिए उपयुक्त बनाना भी एक टेढ़ी खीर है। इस बारे में उपयुक्त आंकड़ों की उपलब्धता ही सबसे बड़ी चुनौती बनी हुई है। दूसरे यहां यह बताना भी ध्यान देने योग्य है कि वर्तमान में कृषि के लिए अनुपयुक्त भूमि को कृषि योग्य बनाने में जो लागत अराती है? क्या वह आर्थिक रूप से सहायनीय है? वार्षिक योजना 2002-03 में कुल समस्याग्रस्त भूमि का क्षेत्रफल 74.48 लाख हेक्टेयर दर्शाया गया है। परन्तु यह नहीं बताया गया है कि यह किस वर्ष की सूचना है। वहीं वार्षिक योजना में कुल समस्याग्रस्त भूमि का क्षेत्रफल बिना संदर्भित वर्ष को दर्शाए हुए 67.55 लाख हेक्टेयर बताया गया है, और वर्ष 2004-05 में 0.52 लाख हेक्टेयर के सुधार का लक्ष्य रखा गया है। ऐसे में सही रणनीति बना पाना ही एक समस्या है। जबकि सही और तुलनीय जानकारी ही उपलब्ध नहीं है। दूसरी ओर उपलब्ध कृषि भूमि के सघन इस्तेमाल के लिए आवश्यक है कि कई स्तर पर प्रयास सुनिश्चित किये जायें। जिसमें कि अन्तिम लक्ष्य कृषि में लाभदायक परिस्थितियों को सुनिश्चित किया जा सके।

उत्तर-प्रदेश में यह एक अजीब सी परिस्थिति बनती जा रही है कि हम सदैव लक्ष्य से पीछे छूटते जा रहे हैं। तालिका-05 को देखने पर पता चलता है कि नवीं योजना के स्तर को उत्पादकता के दृष्टिकोण से पार नहीं कर पाये हैं, जबकि खाद्यान्न उत्पादकता के लक्ष्य 26.50 कुन्तल प्रति हेक्टेयर की तुलना में उपलब्धि मात्र 21.63 कुन्तल प्रति हेक्टेयर थी। यह घटकर 2002-03 में 19.97 और 2003-04 में 21.95 कुन्तल प्रति हेक्टेयर हो सकी है। यह दसवीं योजना के लक्ष्य 27.92 की तुलना में बहुत कम है। यह बात कमोबश हर फसल पर व्यक्तिगत तौर पर लागू होती है। यह अजीब सी बात है कि उत्पादन बढ़ाने के लिए जो अनेकों प्रयास किये जा रहे हैं, उनमें से एक उन्नत बीजों के उत्पादन व वितरण का है, जिसमें निजी क्षेत्र भी शामिल होता है। इस दृष्टिकोण से तो प्रायः उपलब्धि लक्ष्य से अधिक रहती है, हालांकि 2002-03 में ऐसा नहीं था। ऐसे में प्रश्न यह उठता है कि क्या कारण है कि न तो उत्पादकता अपेक्षा के अनुरूप है और न ही उत्पादन। कहीं ऐसा तो नहीं कि बीजों की सूचना को पुनः सत्यापित करने की आवश्यकता है।

यदि हम तालिका-06 को देखते हैं, तथा उत्तर-प्रदेश में भूमि उपलब्धता और भूमि उपयोग की वास्तविकता पर गौर करते हैं, तो पता चलता है कि प्रदेश में अब कृषि उपयोग के लिए अतिरिक्त भूमि की विशेष उपलब्धता सम्भव नहीं है। इस तथ्य को नियोजन प्रक्रिया में भी स्वीकार किया गया है। तभी शुद्ध क्षेत्रफल विस्तार की अल्प संभावना व्यक्त की गयी है, जो कृषि उत्पादन में वृद्धि के लक्ष्य को देखते हुए नगण्य है। परन्तु तकनीकी विकास व कृषि उत्पादन के लिए आगत सुविधा पर ध्यान देने से सघन खेती द्वारा सकल क्षेत्रफल में वृद्धि की संभावनाएं प्रबल हैं। इसके लिए हम कह सकते हैं कि उत्तर-प्रदेश में जिस प्रकार की फसल संरचना है उसमें खाद्यान्न फसलों की प्रमुखता है या इसी तरह की अन्य फसलों जो लगभग 3-4 माह में तैयार हो जाती हैं। वैसे भी कुछ खाद्यान्न प्रचुरता वाले राज्यों यथा पंजाब (192) हरियाणा (173) व पश्चिम बंगाल (171) में फसल सघनता काफी ज्यादा है।

इस परिवेश में उत्तर-प्रदेश में फसल सघनता की दर बहुत धीमी है। दसवीं योजना में इसका लक्ष्य 165 रखा गया है। परन्तु योजना के पहले तीन वर्षों में यह 151 पर ही स्थिर है जो कि नवीं योजना की उपलब्धि 152 से भी कम है। यह कृषि सुविधाओं यथा: सिंचाई, ऋण, खाद, बीज आदि पर एक प्रश्नचिह्न है। यह तालिका-06 से ही काफी कुछ स्पष्ट हो जाता है क्योंकि यूं तो कुल रासायनिक खादों का दसवीं योजना के अन्त तक 4130 हजार टन उपभोग की बात कही गयी है। लेकिन 2004-05 में लक्ष्य 3878 हजार टन पाना असम्भव है, क्योंकि दसवीं योजना के पहले दो वर्षों में उपलब्धि मात्र 3200 हजार टन के आस पास थी जो कि नवीं योजना की उपलब्धि से भी कम है। जहां तक बीज उत्पादन व वितरण का सवाल है, इसकी स्थिति बहुत सपष्ट नहीं है यद्यपि इसमें प्रायः लक्ष्य को भेदने की बात दिखाई पड़ती है।

फल, पशुपालन, मत्स्यपालन, एवं दुग्ध विकास

दरअसल उत्तर-प्रदेश में कृषि विकास के लिए आवश्यक है कि अब परम्परागत खाद्यान्न फसलों से हटकर गैर परम्परागत आधुनिक व अधिक मूल्य आवृद्धि वाली वस्तुओं के उत्पादन पर ध्यान दिया जाये। इससे न केवल कृषि उत्पादन में मात्रात्मक वृद्धि होगी, अपितु गुणात्मक सुधार आएगा। व्यापार शर्तें कृषि के अनुकूल होंगी क्योंकि अधिक मूल्य आवृद्धि वाली नकदी फसलों आदि का उत्पादन बढ़ेगा। फसल सघनता में वृद्धि होगी जिससे रोजगार में वृद्धि होगी तथा गरीबी पर अंकुश लगाया जा सकेगा। यूं भी आर्थिक सिद्धान्तों के तहत अर्थव्यवस्था में आय बढ़ने से परम्परागत खाद्यान्न की मांग में अपेक्षाकृत वृद्धि थमने लगती है, तथा गैर परम्परागत भोजन आदि की मांग अपेक्षाकृत तीव्रता के साथ बढ़ने लगती है। यद्यपि यह तीव्रता औद्योगिक वस्तुओं तथा सेवाओं की तुलना में काफी कम होती है। इसी क्रम में हम फल और सब्जियों, फूल, पशुपालन और दुग्ध विकास के आंकड़े देख सकते हैं। इस दिशा में सितम्बर 1998 में प्रारम्भ किये गये उत्तर प्रदेश कृषि सहायता और विविधीकरण परियोजना के कार्य के प्रतिफल सामने आने लगे हैं। अब इस परियोजना का छः वर्ष का कार्यकाल समाप्त हो चुका है। यहां यह बताना अनिवार्य है कि कृषि विविधीकरण परियोजना की उपलब्धियों का मूल्यांकन विशेष रूप से इसमें किये गये निवेश, व्यय व उत्पाद की स्थिति का स्वतन्त्र रूप से होना अभी बाकी है।

ऐसा प्रतीत होता है कि इस परियोजना और अन्य रणनीतियों का लाभ सभी फसलों व सभी को बराबर से नहीं मिल सका है। फलों के मामले में कहा जा सकता है कि लक्ष्य को देखते हुए दसवीं पंचवर्षीय योजना के प्रारम्भिक दो वर्षों में क्षेत्रफल का विस्तार थोड़ा ही कम रहा है। परन्तु उत्पादन तो लक्ष्य से काफी कम था। वर्ष 2002-03 में उत्पादन लक्ष्य से 20 प्रतिशत कम था, जबकि 2003-04 में यह कमी 15 प्रतिशत थी। इसके विपरीत आलू में अपेक्षित क्षेत्रफल विस्तार और उत्पादन हो रहा है। वर्ष 2003-04 में उत्पादन में व्यापक कमी आलू से जुड़ी समस्याओं के कारण है, जैसे कि वर्षा, रख-रखाव और विपणन की समस्याएं। इन सबके विपरीत सब्जियों के क्षेत्रफल का विस्तार एवं उत्पादन दोनों ही लक्ष्य से काफी आगे चल रहे हैं। सम्भवतः किसान धीरे-धीरे इस बात के लिए सजग हो रहे हैं कि जोत का छोटा आकार एवं खाद्यान्न से जुड़ी अन्य समस्याओं से बचने के लिए कुछ वैकल्पिक व्यवस्था आवश्यक है! यहां पर यह भी समझना आवश्यक है कि फलों की खेती एक बहुवर्षीय योजना होने के कारण इससे सफल बनाने के लिए ज्यादा प्रेरणा और सहयोग की आवश्यकता है। यद्यपि प्रदेश में अपनी जनसंख्या व अन्य राज्यों से तुलनात्मक

वस्तुस्थिति तथा निर्यात की संभावनाओं के देखते हुए फसलों पर ज्यादा ध्यान देने की आवश्यकता है। इसके लिए यह भी आवश्यक है कि खाद्य प्रसंस्करण उद्योग भी तेजी से सामने आए।

पशुपालन के क्षेत्र में भी कुछ सुधार देखने में आ रहा है। यद्यपि कुल पशुओं की संख्या में पशुगणना 1993 व 1998 के मध्य 1.12 प्रतिशत वार्षिक की दर से गिरावट का रूख देखने को मिला है। परन्तु शंकर प्रजाति के जानवरों की संख्या में वृद्धि हो रही है। पक्षी प्रजाति में तो तीव्र वृद्धि हो रही है जो यह दर्शाता है कि लोगों का रुझान अब इस ओर बढ़ा है। दुग्ध उत्पादन यद्यपि लक्ष्य के बराबर तो नहीं, परन्तु लक्ष्य के नजदीक आ रहा है। फिर भी इसमें ज्यादा सजगता की आवश्यकता है। क्योंकि दसवीं योजना के लक्ष्य 193 लाख मी. टन को देखते हुए योजना के तृतीय वर्ष का लक्ष्य 168 लाख मी. टन है। इस प्रकार आगामी दो वर्षों में विशेष प्रयास की आवश्यकता है। अण्डों का उत्पादन तो लक्ष्य से कम नहीं है। संभावना यह भी है कि यह लक्ष्य से आगे निकल जाए। यही स्थिति ऊन के उत्पादन की भी है। यह सभी कार्यक्रम ऐसे हैं, जिनमें ग्रामीण रोजगार की प्रबल संभावनाएं हैं, तथा जिसमें तीव्र प्रगति की संभावना भी है।

मत्स्यपालन प्रदेश का ऐसा व्यवसाय है जिसमें पिछले दशक से काफी तीव्र प्रगति हो रही है, और राज्य में भी इसकी विकास दर काफी तीव्र हो रही है। निबल आय राज्य में मछली उद्योग का 1993-94 के मूल्यों पर प्रतिवर्ष 7.3 की वृद्धि दर थी, साथ ही इसमें सतत विकास हो रहा है। प्रदेश में बड़ी नदियों का जाल तो है ही, साथ में यदि तालाब आदि का विकास किया जाये तो इसमें वृद्धि की प्रबल संभावनाएं हैं। यहां पर मत्स्यपालन से सम्बन्धित कई लक्ष्यों की प्राप्ति के बावजूद मछली उत्पादकता लक्ष्य से लगभग 10 प्रतिशत पीछे है। वर्ष 2003-04 में यह दर 3000 कि. ग्रा. / हेक्टेअर प्रतिवर्ष था, परन्तु उपलब्धि मात्र 2700 कि. ग्रा. / हेक्टेअर ही थी। ऐसे में दसवीं योजना के अन्त तक 3.60 लाख टन मछली उत्पादन के लक्ष्य को पाने की चुनौती है क्योंकि 2003-04 तक तो यह 2.80 लाख टन तक ही पहुंच पाया है। ऐसे में कुछ नये प्रयास अपेक्षित हैं। इसके साथ ही इसके विपणन व अन्य सुविधाओं को व्यवस्था के केन्द्र बिन्दु में रखना अपेक्षित है।

कृषि एवं सम्बन्धित क्षेत्र के लिए वित्तीय सहायता की समीक्षा

किसी भी प्रकार के विकास में वित्तीय पहल की भूमिका काफी महत्वपूर्ण होती है। ऐसे में किसी भी पंचवर्षीय योजना में निर्धारित लक्ष्यों के लिए किस पर धन का आवंटन किया जाता है, और किस प्रकार धन की उपलब्धता और उसका सदुपयोग सुनिश्चित किया जाता है, इसी पर काफी कुल लक्ष्यों को हासिल कर पाने का दारोमदार होता है। इसी क्रम में हम दसवीं पंचवर्षीय योजना की रणनीतियों और चुनौतियों की समीक्षा करने से पहले नवीं पंचवर्षीय योजना की वास्तविकता प्रस्तुत करना चाहते हैं। ताकि यह पता चल सके कि लक्ष्यों को निर्धारित करने में और उसके लिए नियोजन व वित्त की प्रतिबद्धताओं में तालमेल न होने से नियोजन के अपेक्षित परिणाम प्राप्त नहीं हो सकते हैं।

तालिका संख्या-07 में नवी पंचवर्षीय योजना (1997-2002) के दौरान कृषि से सम्बन्धित उन तमाम परियोजनाओं का संक्षिप्त ब्यौरा दिया गया है जिनको 31 मार्च 2002 तक पूरा किया जा चुका है। मोटे तौर पर यह पता चलता है कि इस योजना में वास्तविक व्यय कुल कृषि से सम्बन्धित कृषि विभाग के परिव्यय राशि का 40 प्रतिशत से भी कम था। यह बात वार्षिक योजनाओं में और भी स्पष्ट है। इस योजना के अन्तिम वर्ष 2001-02 में तो यह अन्तर बढ़कर 80 प्रतिशत हो गया, जो कि नियोजन प्रक्रिया के लिए एक गंभीर चुनौती हैं। इसकी कुछ मदों पर ध्यान दें तो पता चलता है कि बीज विकास के लिए निर्धारित परिव्यय का मात्र 10 प्रतिशत व्यय किया गया, गोबर, खाद और रासायनिक खाद पर परिव्यय का 20 प्रतिशत ही खर्च किया गया, कृषि इंजीनियरिंग पर 5 प्रतिशत से भी कम व्यय हुआ, निर्देशन व प्रशासन पर परिव्यय राशि का एक भी रु० व्यय नहीं किया गया। हां जिस मद के लिए धन आवंटित नहीं था, उसके शेयर खरीदने पर भारी धनराशि व्यय की गयी। यह सभी बातें कृषि विकास की संभावनाओं को गौड़ बनाती हैं, साथ ही वित्तीय कुशलता तथा नियोजन की सार्थकता पर प्रश्नचिन्ह भी लगाती हैं।

हम दसवीं पंचवर्षीय योजना के दौरान नियोजन राशि के परिव्यय व व्यय द्वारा कृषि विकास के प्रति निष्ठा देखें तो सारिणी संख्या-08 में 31.03.2002 को चालू महत्वपूर्ण परियोजनाओं और दसवीं पंचवर्षीय योजना के दौरान प्रारम्भ की जाने वाली परियोजनाओं की संक्षिप्त समीक्षा कर सकते हैं। नवी योजना के दौरान व बाद में भी चालू परियोजनाओं पर नवी योजना में निर्धारित राशि से अधिक का व्यय दर्ज किया गया है, जो मुख्यतया अन्य मदों पर बिना किसी पूर्व निर्धारण परीारी व्यय के कारण हुआ। जहां तक दाल विकास, तिलहन विकास, नकदी फसलों व खाद्यान्न का मामला है, इन पर निर्धारित व्यय से काफी कम खर्च किया गया। सम्भवत यह कृषि विविधीकरण आदि की वजह से हुआ। दसवीं योजना में भी स्थिति काफी चिन्ताजनक है। लगभग सभी चालू परियोजनाओं पर पहले दो वार्षिक योजनाओं 2002-03 और 2003-04 में परिव्यय की तुलना में वास्तविक व्यय में काफी कमी रही। इससे भी अधिक चिन्ता की बात तो दसवीं योजना के दौरान नई परियोजनाओं के संचालन को लेकर है। इन पर 20703 लाख रु० का परिव्यय निर्धारित है। परन्तु 2002-03 में रु० 0.03 लाख, 2003-04 में 959.0 लाख एवं 2004-05 में पुनः 959 लाख रु० निर्धारित किये गये। इसमें से पहले दो वर्षों में एक भी रु० व्यय नहीं हुए जबकि आगे की स्थिति अभी देखना बाकी है। इन सभी तथ्यों से दसवीं पंचवर्षीय योजना में कृषि की उपेक्षा और नियोजन की कमजोरी को स्पष्ट रूप से उजागर करती है। लगभग इसी प्रकार की स्थिति सारिणी-09 में भी देखने को मिलती है, जिसमें बजट के द्वारा कृषि को आवंटित न्यूनतम राशि को दिखाया गया है।

निष्कर्ष

उपरोक्त चर्चा से यह स्पष्ट है कि उत्तर-प्रदेश में कृषि एवं सम्बन्धित क्रियाकलापों की स्थिति उत्साहवर्द्धक नहीं है। दसवीं पंचवर्षीय योजना में कृषि विकास दर का लक्ष्य 5.1 प्रतिशत निर्धारित किया गया है, जिसके लिए कृषि का विविधीकरण, नकदी फसलों पर जोर तथा खाद्यान्न प्रचुरता की बात कही गयी है। परन्तु उपरोक्त समीक्षा से ऐसा प्रतीत होता है कि हम अपने लक्ष्य को पाने में सफल नहीं हो सकते हैं। खाद्यान्न के संतुलित विकास, तिलहन विकास व अन्य नकदी फसलों में अनेक बाधाएं हैं। जिसमें भू आकार का छोटा होना, नई तकनीकों की उपलब्धता की कमी, मथा इनके इस्तेमाल को बढ़ाने के लिए प्रबल रणनीति की कमी, अन्य सुविधाओं का उपयुक्त तरीके से उपलब्ध न होना प्रमुख है। यद्यपि कृषि विविधीकरण के अच्छे परिणाम आने लगे हैं, परन्तु इनको नियमित तरीके से आगे बढ़ाने की आवश्यकता है। ऐसे में नियोजन प्रक्रिया को चुस्त दुरुस्त करने की जरूरत है, साथ ही इनकी

व्यापक प्रासंगिकता का मूल्यांकन करके इनको निरन्तरता के साथ व्यापकता का आकार देने के लिए स्पष्ट रणनीति पर ध्यान देना होगा।

प्रमुख बिन्दु और सुझाव

यहां पर हम अध्ययन के आधार पर कुछ प्रमुख बिन्दुओं एवं सुझावों को चिन्हित करने का प्रयास कर रहे हैं, ताकि इनका लाभ नीति निर्धारण के रूप में लिया जा सके :

- दसवीं योजना के प्रारम्भिक वर्षों में कृषि एवं सम्बन्धित कार्यक्रम लक्ष्य से काफी पीछे हैं, दरअसल यह नवीं योजना के आगे निकल ही नहीं पा रहे हैं, जबकि नवीं योजना स्वयं में एक सफल योजना साबित नहीं हो सकी।
- भूमि का वास्तविक विस्तार विभिन्न परिस्थितियों के कारण बढ़ा सकने में समस्याएं हैं, इसमें अयोग्य कृषि भूमि को कृषि योग्य बनाने में लगने वाली व्यापक लागत भी एक महत्वपूर्ण पहलू है।
- फसल सघनता में जड़ता की स्थिति व्याप्त है जो हमारे प्रयासों पर एक प्रश्नचिह्न है।
- खाद्यान्न फसलों पर हमारी विशेषता तो है, लेकिन इसमें भी वृद्धि नहीं हो पा रही है।
- कृषि का विविधीकरण केवल सांकेतिक ही लगता है, वास्तविकता के लिए व्यापक व निरन्तर प्रयास अपेक्षित हैं।
- किसी भी रणनीति को बनाते समय सीमान्त व लघु कृषकों की भूमिका को भी महत्वपूर्ण स्थान देने की जरूरत है।
- अधिक मूल्य आवर्द्धन वाली फसलों यथा तिलहन, दालें, कपास, और कुछ हद तक गन्ना भी कठोर परिस्थितियों से गुजर रहा है। जबकि इनके बदले नई फसलें दृष्टिगत नहीं हो रही हैं।
- उत्पादकता में भी जड़ता की स्थिति स्पष्ट है।
- रासायनिक खादों का इस्तेमाल पिछली योजना के मुकाबले कम हुआ है। इसके अतिरिक्त N,P,K में आदर्श अनुपात भी एक समस्या है।
- उत्तर-प्रदेश में कृषि समता सूचकांक लगातार प्रतिकूल बना हुआ है।
- कृषि में निवेश की कमी व्यापक है, सम्भवतः यह एक संरचनात्मक पहलू है।
- नियोजन के द्वारा कृषि को आवंटित राशि इस्तेमाल नहीं हो पा रही है, इसके अतिरिक्त बहुत सी परियोजनाएं बिना प्रारम्भ हुए ही समाप्त हो जाती हैं। कृषि की कुछ मदों के लिए आवंटित राशि अन्य मदों पर भी व्यय करने से समस्याएं बढ़ रही हैं।
- कृषि से सम्बन्धित कुछ क्रियाकलापों यथा कृषि विविधीकरण, मत्स्य पालन, दुग्ध उत्पादन, पशुपालन, पुष्प उत्पादन आदि में कुछ बेहतर प्रदर्शन देखने को मिला है, परन्तु इनको निरन्तरता व व्यापकता के लिए विशेष ध्यान देने की जरूरत है।
- किसानों को उपयुक्त सुझाव व सही समयबद्ध जानकारी से कृषि विकास को काफी प्रोत्साहन मिल सकता है, इसको निचले स्तर पर व्यावहारिक स्वरूप प्रदान करने की आवश्यकता है।

- कृषि विकास व ग्रामीण विकास में तालमेल अपरिहार्य है, इस क्रम में कृषि औद्योगीकरण आदि महत्वपूर्ण है।
- अवस्थापना सुविधाएं भी व्यवधान उत्पन्न कर रही है।
- यदि उत्तर प्रदेश राष्ट्र का अन्नपूर्णा बनने को स्वयं तत्पर है तो वर्तमान परिस्थितियों में यह कदम राष्ट्र के आर्थिक विकास के हित में है। परन्तु इससे प्रदेश को कोई विशेष फायदा नहीं है। ऐसे में केन्द्र सरकार प्रदेश के कृषि विकास में अत्यधिक निवेश के लिए अपना सहयोग प्रदान करे।
- फसल बीमा योजना की व्यावहारिक कठिनाइयां दूर न होने के कारण इसका लाभ किसानों को नहीं मिल पा रहा है।

तालिका 01
उत्तर-प्रदेश में राज्य आय में वृद्धि दर

(प्रातिशत प्रतिवर्ष)

खण्ड	1980-81 से 1989-90 (1980-81 की कीमतों पर)	1990-91 से 1999-2000 (1980-81 की कीमतों पर)	1993-94 से 2001-02 (1993-94 की कीमतों पर)
कृषि एवं पशुपालन	2.74	2.27	2.52
वन एवं लट्टा निर्माण	-23.79	-1.00	25.32
मत्स्यपालन	13.21	6.64	7.45
खनन आदि	2.93	5.74	9.58
प्राथमिक क्षेत्र	2.46	2.36	3.20
विनिर्माण	10.40	7.04	2.02
द्वितीयक क्षेत्र	8.25	5.76	4.21
तृतीयक क्षेत्र	6.33	4.94	4.76
शुद्ध राज्य घरेलू उत्पाद (NSDP)	4.79	4.04	4.03
प्रतिव्यक्ति राज्य आय	2.38	1.85	1.66

तालिका 02
उत्तर प्रदेश में कृषि उत्पादन के परिमाण सूचकांक

(1993-

94=100)

फसल	% भार 1970-71	% भार 1993-94	1994-95	1984-85	1997-98	1984-85 1997-98	1988-99	1999-2000	2001-01	2001-02	1993-94 1999-2000	1993-94 2001-02
गेहूं	23.45	27.64		203.8	296.9	2.94	112.69	127.20	125.29	124.55	4.09	2.78
चावल	16.04	20.50		1998.5	340.6	4.24	111.52	131.04	121.15	129.28	4.61	3.26
अनाज	50.51	52.12		176.7	264.7	3.16	110.41	127.14	122.66	124.58	4.08	2.79
दालें	9.95	8.84		91.9	80.4	-1.02	91.77	101.13	86.78	94.45	0.19	-0.71
खाद्यान्न	60.46	60.96		162.7	234.3	2.85	107.80	123.26	117.46	120.21	3.55	2.53
पशुचारा	7.67	9.23		258.3	252.3	-0.18	102.35	103.94	103.78	103.78	0.65	0.46
फल और सब्जियां	2.43	4.17		292.6	307.7	0.39	128.09	131.52	115.35	127.67	4.67	3.10
आलू	1.72	3.54		366.7	393.3	0.55	133.73	136.05	119.01	135.61	5.26	3.88
गन्ना	16.12	19.76		129.7	21.8	4.21	111.74	110.47	107.41	118.24	1.67	2.12
तिलहन	12.65	5.14		51.1	48.2	-0.45	76.69	94.49	82.17	78.90	-0.94	-2.92
अन्य	0.67	0.74		149.0	293.9	5.36	110.33	123.04	120.75	119.15	3.52	2.21
नकदी फसल	31.87	29.81		111.3	161.0	2.88	108.01	110.97	104.83	112.80	1.75	1.52
सामान्य सूचकांक	100.00	100.00		153.7	212.3	2.52	1.7.36	117.88	112.43	116.49	2.78	1.92

तालिका 03
उत्तर-प्रदेश में कृषीय क्रय-विक्रय समता सूचकांक

(कृषि वर्ष 1970-71=100)

वर्ष	किसानों द्वारा भुगतान किए गए मूल्य का सूचकांक (Px)		किसानों को प्राप्त मूल्य का सूचकांक (RY)	कृषीय क्रय विक्रय समता सूचकांक $Po=(Py/Px).100$
1991-92	605.6	551.8	91.1	
1992-93	629.5	538.2	85.5	
1993-94	696.8	675.4	96.9	
1994-95	761.8	746.1	98.2	
1995-96	845.8	784.1	92.7	
1996-97	943.5	856.1	90.7	
1997-98	998.6	873.5	87.5	
1998-99	1166.5	992.6	85.1	
1999-2000	1110.8	937.6	84.4	
2000-01	1165.3	901.9	77.4	
2001-02	1190.6	950.0	79.8	
2002-03	1202.6	1050.3	87.3	
AGR(%)	6.43	6.02	-0.39	

* अनन्तिम

तालिका 04
कृषि उत्पादन में प्रगति समीक्षा

हजार टन

फसल	ईकाई	नौवीं योजना		दसवीं योजना का लक्ष्य	वार्षिक योजना 2002-03		वार्षिक योजना 2003-04		वार्षिक योजना 2004-05
		लक्ष्य	उपलब्धि		लक्ष्य	उपलब्धि	लक्ष्य	उपलब्धि	लक्ष्य
क-खाद्यान्न		52370	44187	57100	46800	38216	47800	44431	50200
खरीफ		18387	15877	19900	16350	11994	17100	15989	17950
रबी		33983	28310	37200	30450	26222	30700	28442	32250
अनाज		48736	41810	53850	44270	36058	45060	42046	47200
चावल		14340	12856	16000	12900	9595	13600	13020	14350
गेहूं		29920	25498	33650	27500	23612	27600	25567	28600
बाजरा		1200	968	1300	1260	1073	1270	1120	1280
मक्का		1946	1567	2120	1720	956	1760	1518	2050
दालें		3634	2377	3250	2530	2155	2740	2385	3000
ख-नकदी फसलें									
तिलहन		2452	1110	1950	1330	885	1460	925	1600
कपास		39.00	4.57	10.00	6.00	4.39	6.00	4.18	8.00
जूट		5.00							

तालिका 05
उत्तर प्रदेश में कृषि उत्पादकता, बीज उत्पादन और वितरण की समीक्षा

फसल	ईकाई	नवी योजना		दसवी योजना का लक्ष्य	वार्षिक योजना		वार्षिक योजना		वार्षिक योजना
		1997-2002		2002-2007	2002-03		2003-04		2004-05
		लक्ष्य	उत्पादन		लक्ष्य	उपलब्धि	लक्ष्य	उपलब्धि	लक्ष्य
A- खाद्यान्न		26.50	21.63	27.92	23.05	19.97	23.37	21.95	24.18
चावल	कु0/प्रति हे0	26.27	21.17	25.40	22.01	18.41	22.67	21.87	23.52
गेहूं	"	32.66	27.55	34.69	29.57	25.96	29.67	27.94	30.75
बाजरा	"	17.14	11.38	16.52	15.00	12.90	14.11	12.76	14.54
मक्का	"	20.04	16.29	22.78	17.04	11.07	17.60	13.87	17.50
Improved Seeds (उन्नत बीज)									
A- उत्पादन									
कुल उत्पादन	हजार कु0	1904.54	1838.58	2708.60	2049.89	2033.85	2049.89	2106.31	2216.38
अनाज	"	1690.68	1751.91	2456.32	1893.72	1886.61	1893.72	1946.56	2018.73
दालें	"	137.03	70.88	219.98	133.2 0	123.2 9	133.2 0	135.0 6	171.80
तिलहन	"	76.05	15.08	31.70	22.52	23.03	23.99	22.52	25.32
कपास	"	0.78	0.71	0.60	0.45	0.92	0.76	0.45	0.53
जूट	"								
B- वितरण									
कुल वितरण	"	1168.94	1819.16	2625.04	1908.23	201.20	2049.89	2129.56	2233.54
अनाज	"	1090.63	1732.93	2380.53	1773.45	1872.79	1893.72	1958.71	2072.92
दालें	"	51.11	70.62	213.19	114.39	122.08	133.20	145.43	173.80
तिलहन	"	26.69	14.90	30.72	19.89	21.41	22.52	24.66	31.02
जूट	"	0.51	0.71	0.60	0.50	0.92	0.45	0.76	0.80

तालिका 06
उत्तर प्रदेश में कृषि विकास के कुछ संकेतक

संकेतक	ईकाई	नवी योजना	दसवीं योजना का लक्ष्य			वार्षिक योजना 2002-03		वार्षिक योजना 2003-04		वार्षिक योजना 2004-05
						लक्ष्य	उपलब्धि	लक्ष्य	उपलब्धि	लक्ष्य
		लक्ष्य	उपलब्धि							
कृषि क्षेत्रफल										
(i) शुद्ध	हजार हेक्ट.	16688	168.50	17000	16850	16850	16850	16850	16900	
(ii) सकल	”	24870	25600	28000	25500	25500	25500	25500	25700	
(iii) फसल सघनता	प्रतिशत	149	152	165	151	151	152	151	152	
(iv)सकल सिंचित क्षेत्रफल	प्रतिशत	68.09	N.A							
रासायनिक खादों का उपभोग										
NPK	हजार टन	3896	3352	4130	3695	3244	3646	3231	3878	
नाइट्रोजन (N)	”	3027	2504	2949	2638	2373	2661	2361	2728	
फास्फेटिक (P)	”	743	750	1008	902	729	811	720	952	
पोटाश (k)	”	126	98	173	155	142	174	150	198	

तालिका 07
कृषि विकास में नवी योजना में परियोजनावार परिव्यय एवं व्यय (लाख रु0 में)

क्र	नवी योजना का स्वीकृत परिव्यय (1997- 2002) 1996.97 की कीमतों पर		वास्तविक व्यय				1997-98		1998-99		1999- 2000		2000- 2001		2001-02	
			प्रचलित मूल्य पर		1996-97 की कीमतों											
			कुल	पूंजीगत हिस्सा	कुल	पूंजीगत हिस्सा	कुल	पूंजीगत हिस्सा	परिव्यय	वास्तविक व्यय	परिव्यय	वास्तविक व्यय	परिव्यय	वास्तविक व्यय	परिव्यय	वास्तविक व्यय
22 तक पूरी की न जाएं		0.0	36343	0.0	3115.0	0.0	1071.6	658.1	2397.8	1792.6	1098.6	612.4	822.2	514.9	5321.60	56.2
न और प्रशासन	220.80	0.0	0.0	0.0	0.0	0.0	20.0	0.0	20.0	0.0	35.1	0.0	120.0	0.0	125.0	0.0
न फसलें	3377.2	0.0	1990.3	0.0	1711.6	0.0	688.2	620.0	819.0	440.1	735.8	473.4	584.9	456.3	30.0	0.0
	112.5	0.0	13.0	0.0	12.2	0.0	22.5	13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
बेत	32.5	0.0	6.5	0.0	6.1	0.0	6.5	6.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
खाद और निक खाद	854.9	0.0	224.0	0.0	179.9	0.0	159.6	0.0	496.0	54.6	52.7	54.6	65.0	58.6	77.0	56.2
रक्षण	0.01	0.0	0.0	0.0	0.0	0.0	0.01	0.0	0.01	0.0	0.01	0.0	0.0	0.0	0.0	0.0
बीमा	0.01	0.0	0.0	0.0	0.0	0.0	0.01	0.0	0.01	0.0	0.01	0.0	0.0	0.0	0.0	0.0
न और प्रशिक्षण	363.7	0.0	0.0	0.0	0.0	0.0	102.8	0.0	102.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
नियंत्रण	360.0	0.0	180.0	0.0	169.9	0.0	72.0	18.0	0.01	0.0	0.0	0.0	0.0	0.0	0.0	0.0
यय	0.0	0.0	1382.4	0.0	95.9	0.0	0.0	0.0	960.0	1298.0	275.0	84.4	52.3	0.0	32.5	0.0
iw.kZ pkyw ize	4598.4	375.0	7215.0	5.0	5742.0	0.0	881.2	733.0	1502.2	976.1	1401.4	839.7	1472.5	1334.2	5403.5	3331.9

तालिका 08
कृषि विकास में नवी व दसवी योजनाओं की पहल

(लाख रु०)

कार्यक्रम	नवी योजना का 1996-97 की कीमतों पर स्वीकृत परिव्यय		नवी योजना में कुल व्यय				दसवी योजना का 2001-02 की कीमतों पर स्वीकृत परिव्यय		वार्षिक योजना 2002-03 प्रचलित कीमत	वार्षिक योजना 2003-04 प्रचलित कीमत	वार्षिक योजना 2004-05 (प्रचलित कीमत पर)		
			प्रचलित कीमतों पर		1996-97 की कीमतों पर								
	रु०	पंजीगत	रु०	पंजीगत	रु०	पंजीगत	रु०	पंजीगत	परिव्यय	वास्तविक	परिव्यय	वास्तविक	कुल परिव्यय
31-03-2002 को महत्वपूर्ण चालू परियोजनाएं	4398.4	375.0	7215.0	5.0	6742.0	0.0	21620.9	0.0	3800.0	4940.9	3000.0	1866.8	3012.7
खाद्यान्न फसलें	175.0	0.0	104.3	0.0	84.1	0.0	200.4	0.0	38.3	17.1	38.3	10.8	18.3
कृषि भूमि	1597.0	375.0	1544.0	0.0	1287.0	0.0	3455.3	0.0	190.7	194.6	349.6	1849	349.6
नदी फसलें	106.5	0.0	74.1	0.0	61.3	0.0	171.4	0.0	22.5	19.5	22.5	19.1	38.5
विस्तार और प्रशिक्षण	0.0	0.0	1258.6	0.0	994.9	0.0	3375.0	0.0	507.0	427.1	650.4	261.0	681.5
कृषि अर्थव्यवस्था और सांख्यिकी	542.7	0.0	684.2	0.0	566.9	0.0	1164.8	0.0	187.6	131.0	168.3	136.4	178.3
दालों का विकास	895.0	0.0	541.6	0.0	453.0	0.0	1187.5	0.0	196.1	154.7	230.6	93.4	155.6
तिलहन विकास	1082.4	0.0	510.6	0.0	434.1	0.0	919.1	0.0	138.5	109.4	138.5	82.6	57.8
अन्य व्यय	0.0	0.0	2497.7	5.0	1861.7	0.0	1114.7.3	0.0	2519.3	3887.5	140.1.8	107.8.6	1533.2
दसवी योजना की नयी परियोजनाएं	0.0	0.0	0.0	0.0	0.0	0.0	2070.3.1	0.0	0.03	0.0	959.0	0.0	95.90

तालिका 09
उत्तर प्रदेश में कृषि और सम्बन्धित क्रियाकलापों के व्यय पर बजट का रुख
(राशि करोड़ रु० में)

मद		राजस्व व्यय															
		2002.03															
												वास्तविक व्यय	बजट अनुमान	वास्तविक व्यय	बजट अनुमान	पुनर्वित्त अनुमान	बजट अनुमान
कृषि तथा सम्बद्ध कार्यक्रम	141.1 (3.9)	1319.2 (4.0)	1470.03 (3.6)	1342.4 (3.5)	4112.0 (3.3)	1388.9 (3.0)	1377.4 (2.9)	500.3 (12.2)	595.7 (15.7)	-10.8 (-0.1)	173.3 (5.1)	47.9 (1.0)	349.6 (5.5)	36 (4.6)			
ग्राम विकास	1740.7 (4.7)	1673.8 (5.1)	1689.9 (4.1)	1654.6 (4.4)	1891.3 (4.4)	2008.4 (4.4)	1795.7 (3.7)	391.6 (9.5)		1403.9 (12.0)	381.6 (11.2)	522.0 (10.7)	534.3 (8.5)				
विशेष क्षेत्र कार्यक्रम	0.0 (0.0)	13.5 (0.0)	13.5 (0.0)	2.70 (0.1)	40.5 (0.1)	40.5 (0.1)	63 (0.1)	200.0 (4.9)	366.4 (9.7)	261.5 (2.2)	308.0 (9.1)	384.5 (7.9)	384.5 (6.1)	572.0 (7.2)			
सिंचाई और बाढ़ नियन्त्रण	969.8 (2.6)	1536.8 (4.7)	1047.0 (2.6)	1480.4 (3.9)	1087.7 (2.5)	1674.8 (3.7)	1636.2 (3.4)	929.8 (22.7)	728.2 (19.2)	1103.3 (9.04)	741.0 (21.8)	1211.9 (24.8)	13 11.2 (20.7)	1845.4 (23.4)			
कुल योग	3664 6.7	3293 8.5	4075 8.81	3794 3.7	4278 5.7	45622. 2	48071. 1	4101. 5	3794. 4	11738. 4	3400. 1	4891.3	63 20.2	7897.9			

नोट : कोष्ठक में कुल राजस्व व्यय/पूजीगत व्यय में प्रतिशत हिस्सा है।

स्रोत : बजट २००४.०५ एवं २००५.०६

CHAPTER VI RURAL DEVELOPMENT

1. Introduction

Rural area in U.P. is characterised by lack of infrastructure, assets, unemployment and poverty. The Government of U.P. has a long term plan to develop rural area through several ways. The rural development department is implementing various centrally sponsored as well as U.P. State sponsored schemes for the above purposes. These specific schemes may be broadly classified as self-employment schemes, wage employment schemes, creation of rural infrastructure, provision of small pucca houses, safe drinking water facilities, durable metalled roads. All these schemes may bring development in due course of time. This may also bring balanced development in the State for which State Government is primarily responsible. The State Government formulates various plans and schemes according to regional requirement. The national Planning Commission helps the State to fulfill these objectives through transfer of resources for implementation of annual plans. Funds under this head include normal central assistance, open market borrowing, negotiated loans from financial institutions and additional central assistance for externally aided projects. In addition, special plan loans are given in those years when the State faced severe financial difficulties on account of disturbed conditions.

2. Operational Guidelines

There is a separate guideline for each programme. The guidelines have been issued by Planning Commission, Govt of India for centrally sponsored schemes. For State sponsored schemes, however, the concerned secretariat has issued such guidelines. These guidelines have focused on objectives of the scheme, choice and selection mode of key activities, agency to screen the proposal, identification of area or beneficiaries, method of mobilization of either financial resources, or societal resources, release of grant, target fixation, utilization norm of the grant and all other relevant points which are essential and needs to be adhered to. For more detailed information of the specific guidelines the relevant materials may be referred to in the concerned document. It may not be possible to put such literature here because of large size and volume of the guidelines.

3. Objectives

The objectives of all the plans so far have been broadly confined to reduce rural unemployment and poverty through self and wage employment and also to create infrastructure. In the following analysis various rural development programmes will be dealt with one by one:

4. Schemewise Assessment

4.1 Swarn Jayanti Gram Swarozgar Yojana (SJGSY)

Swarn Jayanti Gram Swarozgar Yojana has been given due importance in the two Annual Plans (2002-03 and 2003-04) of Tenth Five Year Plan for generation of self-employment through micro enterprises. Tenth Plan has targeted to cover 30 per cent of the rural poor in each block. It has also targeted most vulnerable group to bring them over the poverty line. As per the revised objective the programme would ultimately lead to strengthening and socio-economic empowerment of the rural poor as well as improve their collective bargaining power. Physical progress under SJGSY has been shown in Table 1. The table shows that during the first two years of the Tenth Five Year Plan the target for formation of self-help group (SHG) has remained constant. It was 120000 in both the years, 2002-03 and 2003-04.

Table 1: Physical Progress under SJGSY

Year	SHG Formation			Percent of Target SHG to whom Loan Provided
	Target	Achievement	Percent	
2001-02	80000	80991	101.0	28.0
2002-03	120000	87549	73.0	23.0
2003-04	120000	85282	71.0	11.0

Unfortunately the achievement came down in 2003-04 in comparison to 2002-03. The SHG formation to its target decreased from 73 per cent in 2002-03 to 71.0 per cent in 2003-04. This does not show a healthy trend. The achievement is also much lower to its target in both the years. So far as the issue of the loan distribution of SHG is concerned, the figures show a very pathetic situation. Only 23 per cent of targeted SHGs in 2002-03 and 11 per cent in 2003-04 has been covered for loan distribution. This way it may be added that there has been very slow progress in loan distribution in both the years and more slow in the later year. Such situation has taken place despite the fact that the amount was made available, which could not be spent. The percentage of expenditure, as shown in Table 2, has been 65 per cent in 2002-03 and 76 per cent

cent of the target was just 27 per cent in 2002-03 which although doubled upto 55 per cent in 2003-04.

Table 2: Financial Progress under SJGSY

(Rs. in lakh)

Year	Total Amount Available	Expenditure	Expenditure percentage
2001-02	26379	15536	59.0
2002-03	22550	14721	65.0
2003-04	25606	19564	76.0

The major portion of expenditure has been on establishment. This needs to be rectified. Allocation for establishment is very less as per guidelines. The govt. machineries may put some check on this issue through quick disposal of cases. As shown in Table 3 the actual expenditure on establishment as a percentage of its target has been lower in 2002-03 in comparison to 2003-04. Thus, from the above analysis, it may be concluded that under SJGSY achievements has been much lower than targets in the area of SHG formation, loan distribution and total expenditure. Targets can be achieved if available allocated amount is made available to the SHG. Therefore, more focus on formation of SHG may further be given. For this 70 key activities have been so far identified for self-employment and income generation especially in industry, service and business sectors, animal husbandry, horticulture, fishiculture and minor irrigation. As a result during 2003-04, 1.41 lakh BPL families have been benefited against a target of 3.50 lakh BPL families. It shows that more than one lakh BPL families have not been benefited. In 2004-05 again the target is to assist 2.50 lakh BPL families and construct 8 mandi yards, 4 sub-yards and a few (20) Haat Paths. Empowerment has gone up now. For example, in Sultanpur every number of mahila SHG is able to earn Rs.2000 per month per project. Poor loan distribution may be because of lack of entrepreneurship in BPL families, lack of coordination among banks, govt agencies and the BPL families. Requirements of guarantor and/or mortgaging of properties are also creating hurdles in loan delivery. Recovery of loan may also create sense of doubt for loan sanction.

Table 3: Headwise Percentage of Expenditure under SJGSY

Year	Actual Loan Distribution as per cent of Target	Actual Expenditure on Establishment as % of Target
2001-02	33.0	73.0
2002-03	27.0	55.0
2003-04	55.0	78.0

4.2 Indira Awaas Yojana (IAY)

Indira Awaas Yojana was started during 1985-86 for facilitating grant for construction of houses to members of SC/ST, freed bonded labourers and also non-SC/ST rural people, which are below the poverty line. Also more than 40 per cent of total IAY allocation should not be incurred for non-SC/ST in one financial year. Physical and financial progress has been shown in Table 4. It is to be mentioned with the help of the table that expenditure has been satisfactorily done because 93 per cent of expenditure has been incurred in 2002-03 and 95 per cent expenditure has been incurred in 2003-04. Achievements are even slightly more satisfactory in the sense that whatever was targeted was achieved fully in 2002-03 and also almost fully (95%) in 2003-04. But it is strange that the government has not revised unit cost per house upto 2002-03 and 2003-04. It was suddenly increased by 25 per cent in general region and around 25 per cent in Bundelkhand region. It means quality of construction must have been deteriorated in 2002-03 and 2003-04 because of increase in construction cost every year by at least 10 per cent. In this situation the plan should increase unit cost per house in every annual plan by at least 10 per cent.

Table 4: **Financial and Physical Progress Under IAY**

Year	Percentage Expenditure	Percentage Achievement of Awaas to Target	Unit cost per house (Rs.)	
			General Region	Bundelkhand Region
2001-02	93.0	100.0	20000	22000
2002-03	93.0	100.0	20000	22000
2003-04	95.0	95.0	20000	22000
2004-05	--	--	25000	27000

4.3 Sampoorna Gramin Rozgar Yojana (SGRY)

This programme has been launched after November 2001 by merging Jawahar Gram Samridhi Yojana and Employment Assurance Scheme. For this 75 per cent resource is released by the Centre and 25 per cent by the State. Foodgrains are provided free of cost. The programme aims to create wage employment/manual work around the villages. Poorest persons are preferred. The programme has been beneficial for the villagers in several respects. Firstly, contractors are not permitted to be engaged for execution of any of the work. Secondly, the Gram Panchayats have been involved for preparation of annual action plan, which is approved

Thirdly, through this plan some infrastructure is also generated which has its effects on future development.

Table 5: Financial Progress under SGRY

(Rs. in lakh)

Year	Total Amount Available	Expenditure	Expenditure percentage
2001-02	101917	63989	63.0
2002-03	130621	92845	71.0
2003-04	123506	110527	89.0

Source: Office of the RD Commissioner, U.P. Government.

For the Tenth Plan period, state share outlay of Rs.2092 crore has been fixed for generation of 8803 lakh mandays of employment. Against the above target an outlay of Rs.254 crore was released for generation of 1335 lakh mandays of total employment including that of SC/ST. Adding both the shares of state and the centre, a sum of Rs.130621 lakh in 2002-03 and 123506 lakh in 2003-04 were made available. But unfortunately expenditure was much less. Only 71 per cent was utilized in 2002-03 and 89 per cent in 2003-04. As a result, achievement of full targets has become a dream. Further, 9 lakh tonnes of foodgrain was targeted every year for distribution in terms of 6 kgs of wheat or 5 kgs of rice. But quality has not been maintained during distribution during first two annual plans. Even proper weighing is not done. During 2003-04 the target of employment generation was 1535 lakh mandays, however, 1314 lakh mandays was actually generated. During 2004-05 an outlay of Rs.410.64 crore is proposed for further generation of 1700 lakh mandays of employment. In order to increase expenditure advance planning is required so that by the time grants reach utilization can be efficiently done. This will make wage employment scheme more effective.

4.4 Drought Prone Area Programme (DPAP)

Presently DPAP is in operation in 60 selected blocks of 15 districts in U.P. The programme aims at overall development of these drought prone areas. However, it has been noticed that targets are not being fulfilled. For instance, in 2003-04 against the target of 65000 hectares area, 42,162 hectares had been treated by different developmental measures. The expenditure was Rs.369.90 lakh in 2003-04. However, in 2004-05 annual plan more thrust has been given on establishing sectoral linkages. In order to fulfill the target necessary adjustment will also be made in the plan especially in soil and water conservation, afforestation and water resource development.

4.5 Integrated Wasteland Development Programme (IWDP)

IWDP is a centrally sponsored scheme. As per revised guidelines the resource is met at the ratio of 91.77 : 8.33 sharing basis by the Centre and the State. It is in operation in 35 districts of the State. During 2003-04 the government has taken several measures for capacity building and training, sustainability of assets and creation of SHG. During 2004-05, further emphasis has been given on sectoral linkages with concerned departments. In this plan the focus is on water harvesting through low cost farm ponds, nallah bunds, check dam, percolation lakes, distillation of village tanks, fishery development, afforestation and pasture development.

4.6 Ambedkar Vishesh Rozgar Yojana (AVRY)

This programme is a project based scheme for sustained employment generation. The AVRY is in take off stage and is in the process. Several projects executed under this scheme have yielded good results in generating self-employment. During 2003-04, employment was generated for 56,305 persons and further it has targeted to generate 120000 persons employment in 2004-05. In addition to this during the Tenth Plan, it is proposed to generate employment for 50 lakh persons under Rozgar Chhatri Yojana. During 2003-04, 1025248 person employment opportunities have been created under this scheme. Thus, it is proposed to generate employment opportunities for 1250000 persons in 2004-05. This seems essential for which more investment is required.

4.7 Pradhan Mantri Gramodaya Yojna (PMGY)

Under this special scheme rural social sectors such as water supply, housing, primary education, rural road, Primary health care and nutrition are covered. In the ninth plan the total expenditure in this scheme was 15253 crores. In the Tenth plan, however, against an outlay of Rs 1200.97 crore Rs 1112.13 crore is an anticipated expenditure during 2002-03 and Rs 1147.65 crore has been approved in 2003-04. But actual expenditure was only 845.32 crore in this year. During 2004-05 an outlay of Rs 1285 .978 crore has been proposed. In this plan for water supply there has been provision of safe drinking water for ten thousand quality problem houses. But the achievement has been very slow. Only 535 habitations were covered during 2002-03 and only 261 habitations are proposed in 2003-04. This way it is very difficult to achieve the plan target. According to the progress of physical targets satisfactory performance has been made under

of targets have been achieved. But under the scheme of check dams and piped water supply annual plan targets are not in consonance with Tenth plan targets. Therefore achievements will fall short of targets. In the following two annual plans special attention is required for check dams and piped water supply schemes.

The financial and physical achievements under Rural Housing scheme have been in conformity with plan targets. But annual plan targets are quite less. As per this trend Tenth plan targets cannot be achieved. The annual targets in the following two annual plan should be enhanced. In view of Tenth plan targets the annual plan targets for handpump installation and toilet construction in the school are low. These targets should be enhanced. No rural PHC has been installed in rural area under this scheme. This is also a very serious matter. But the construction of health centres has been completed as per plan target .

Under this programme, the expenditure during the year 2001-02 was Rs. 26.10 and Rs. 51.74 crore respectively. The level of beneficiaries by the end of the Ninth Plan was 52.85 lakh. The approved outlay for the Tenth Plan is Rs. 779.47 crore. The level of expenditure for the year 2002-03 is Rs. 144.42 crore through which the number of beneficiaries would be 4.36 lakh. During the Annual Plan 2003-04 against an outlay of Rs. 85.50 crore an amount of Rs. 98.56 crore was utilized. During 2004-05 an outlay of Rs. 86.28 crore is proposed for this programme to benefit 8.72 lakh children. Thus physical progress has not been satisfactory as per target in 2003-04 but expenditure was above targeted outlay in both the year 2002-04

An outlay of Rs. 1327.00 crore and Rs. 252.87 crore have been proposed for the Tenth Five Year Plan (2002-07) and the Annual Plan 2003-04 respectively for Road Electrification. Against the target of electrifying 3371 villages for the year 2002-03 and 2003-04 only 1839 and 428 villages respectively have been electrified. A target of 6000 villages have been again proposed for 2004-05. Although rural electrification is done but supply of electricity is not fully ensured. This needs special attention under power supply in rural area.

4.8 Pradhan Mantri Gram Sadak Yojna

This is a centrally sponsored scheme for connecting every village. It is carried out by rural development department. At present there are 74673 unconnected habitations. For this 149346 km connectivity is required. During 2003-4 the projection of 2249 works having road length of 4540 km. with an amount of 1011.15 crores have been cleared by Govt of India. During 2004-5

however, 10600 crore. So far only 909.75 crore has been released by Govt of India upto the end of 2003-4. Thus 90% of fund is still to be released. That is why there is slow progress of connectivity under this scheme. If there will be delay in fund release then cost of the project will escalate which may not be further compensated.

4.9 Border Area Development Programme

This programme is meant for 19 blocks of seven districts of the Indo-Nepal Border because of the distinct problem of the region. The length of International Border is 538 kms. But the fund allocation is very low. In 2002-3 the allocation was 8.32 crore in 2002-3, 17.45 crores in 2003-4 and again 8.32 crores in 2004-5. The expenditure was even less than annual allocation. The utilization was 25% less in 2003-4 and 50% less in 2003-4. This needs special attention because of the sensitiveness of the region..

4.10 Centrally Sponsored Schemes

Under this scheme Tenth Plan outlay is 39799.51 crores. It has been observed that annual allocation so far made is not enough to fulfill this target. Upto 2004-5 Rs 17352 crores have been proposed outlay. Expenditure has been even far less. In the first two annual plans the total expenditure was Rs.8145.86 crores. This again is a matter of serious concern.

4.11 Rastriya Sam Vikas Yojna

Under RSVY several rural development works are done. This relates to forest, health, education, dairy, animal husbandry, horticulture, irrigation, public works and several others. The program was started in three phases in order to cover several districts. But the unfortunate part has been only 22% utilization of available fund. The total amount released was Rs 2492.79 lakhs upto October, 2004 out of which only Rs 547.12 lakh could be spent by this period. As a result, the set target in several sub sectors may not be fulfilled.

5. Assessment of Specific Schemes on Infrastructure and Employment

To create better environmental condition infrastructure generation has also been considered inevitable through the following schemes :

1. Construction of Kharanjia/Nali
2. Construction of multipurpose Panchayat building/welfare centre

3. Construction of Hatt Path.

4. Rural Sanitation

The financial targets of the Tenth Five Year Plan (2002-07) was Rs. 18625 lakh out of which Rs. 9544.66 lakh has been actually incurred in 2002-03 and Rs. 10569.55 lakh in 2003-04. Therefore, already in these two years the targets have been achieved. But again in 2004-05 additional financial expenditure of Rs. 7966.57 lakh has been estimated. This may be much more over and above the whole Tenth Plan target. It has also been observed that the physical target in the Tenth Plan for construction of Kharanja/Nali in Ambedkar Villages was 961 km. But the total construction was 7621 km. in 2002-03 and 1993 km. in 2003-04 totalling 9614 km. Thus again the target has already been achieved in the first two years of annual plan only.

The Tenth Plan has fixed the target of generation of employment upto 6422414 mandays through the above programmes out of which 2573245 was generated in 2002-03 and 3392757 in 2003-04. Hence this way again target of the tenth plan has been fully achieved during the first two years of the annual plan. It means lower target might have been fixed in the tenth plan document. This needs to be revised. Similarly it has been observed that the task of construction of multipurpose Panchayat Bhavan has also been realized during the first two years of Tenth plan. This also shows underestimation of the target. It may be construed that the above programs have been very successful for generation of rural employment and also for creation of infrastructure.

The backlog of unemployment in 2004-5 is 25 lakhs person. The total under employed persons in the state has been estimated 99 lakhs. In addition, new entrants in 2004-5 will be around 14 lakhs. Thus unemployed will be 39 lakhs and under employed would be 99 lakhs for whom employment has to be provided during the remaining two years of the tenth plan. The generation of employment is linked to growth of income. On the basis of employment elasticity (0.45) it has been estimated that targeted growth of 8% per annum would generate employment for about 14.64 lakh during annual plan period. This way the problem of backlog and new entrants in the labour force may be solved. The problem of under employed will still remain unsolved for which extra effort is required in the remaining years of the tenth plan.

6. Missing Links

Plan expenditure (at constant prices) during the entire Eighth Five Year Plan fell short of the outlay by 26.3 per cent in U.P., which happens to be much less than Bihar (67.8%) and Orissa (46.9%). This situation continued in Ninth Plan and first two years of Tenth Plan also. The per capita plan expenditure also shows a decline with some fluctuations over the years. This was because of heavy shortfall in total plan expenditure as compared to the allocated outlay during the years. The huge gap between the approved outlay and expenditure in U.P. is alarming. U.P.

implemented. The expenditure on irrigation was less than what was provided. The growth of per capita SDP in the 1990s was 1.2 per cent in U.P. which has further bearing on low growth in the Tenth Plan period.

Studies on IRDP have been done by numerous scholars, researchers and academicians at national and international levels. It has been pointed out that IRDP presented a matrix of multiple allied programmes without desired linkages. These were implemented as separate programmes without keeping in mind the overall objective of generating sustainable incomes. In addition to this there has been lack of coordination with other departments as well. In some cases works were executed as biased. Quality of work was bad in more than 60 per cent cases. There has also been inadequacy of funds at Gram Panchayat level which led to rise of pressure group that created heterogeneous village economy. There was also lack of proper book keeping and transparency. For instance, an evaluation study of IRDP in Banda and Rae Bareilly districts revealed that the programme continued to suffer from several shortcomings at the levels of planning and implementation. The study concluded that annual plans are prepared in a routine manner and proper integration of targets and their linking with local resources is not attempted. The process of beneficiary selection is defective and little after care support is provided to them. The loanes felt harassed by the cumbersome and dilatory procedures in obtaining loan. The required degree of cooperation between the development and finance institutions was found missing. Although the income of beneficiaries increased but the rise is not so significant. Only about 30 per cent of them could cross the poverty line (GIDS, Lucknow). Time to time, the Central and State government have also evaluated the developmental programs and even guidelines have been updated and revised. But at the implementation level there are socio-political hurdles which needs to be lessened in order to obtain the targets. Rules may also needs to be rationalised which may reduce bureaucratic delays in programme implementation. Coordination among various departments are also imperative for fast execution and success. Panchayati Raj institutions may be made transparent in order to solve local problems at the local level. Emphasis may be given on deciding priorities at the local level. Local planning may be cost effective also. Regional balancing is equally missing during target setting and fund allocation. This needs to be corrected through inter departmental coordination. Establishment cost may also be reduced and rationalized time to time. SHGs may be supported with motivation and basic infrastructure and liberal credit with due screening of cases. This will enhance success rate of beneficiaries. Mere formation of SHG may not be helpful. After construction of Awaas there should be quick distribution to beneficiaries. This may reduce maintenance cost.

7. Desirable Future Strategy

During the remaining period of Tenth plan the Government should try to concentrate on release of central fund, full utilization of allocated fund, identification of right beneficiaries, reducing gap in target and achievement, putting right targets without any under or over estimation, focus on grass root planning, bureaucratic efficiency, perfect prioritization, center- state coordination, coordination among state departments, planning of gainful employment, road and communication connectivity, rural investment, credit and marketing including storage and infrastructure ,prompt implementation of programs and establishing vocational training centres in rural region especially in the Indo-Nepal border. Private investment in rural area should also be encouraged. It has also been observed that funds for several backwards districts are not made available in time. Therefore, equity in fund allocation is required. As far as possible extra efforts may be also be made for involvement of the community and local area planning.

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CHAPTER VII

INDUSTRIAL DEVELOPMENT

ECONOMIC BACKWARDNESS

The economy of Uttar Pradesh (U.P.) is regarded as one of the backward economies of Indian in spite of the fact that U.P. produces 19.00 per cent of India's food-grains, 20.00 per cent vegetables, 21.00 per cent fruits, 38.00 per cent potatoes, and its is the largest producer of milk and sugarcane. Besides, U.P. has the largest railway network and the second largest road network in the country. Even with regard to the number of schools and colleges per lakh of population, the position of U.P. is better than the national average of well comparable.

However, the economic backwardness of U.P. is very much obvious from the fact that while U.P. accounts for about 17.00 per cent of India's total population, its share in the national income is only 9.00 per cent. Also, the per capital income of U.P. is only about 54-55 per cent of the same at the national level. Even, the growth rate of Gross Domestic Product (GDP) as well as that of the per capital income of U.P. has been much below the same at the national level during the recent years. The growth rate of economy of U.P. during the 8th Five Year Plan (1992-97) was reported to be 3.20 per cent as against the same being 6.80 per cent at the national level. The same during the period of first four years of 9th Five Year Plan (1997-2001) was 2.30 per cent as against 5.40 per cent at the national level. Further, the industrial growth rate of U.P. during the first 3 years of the Ninth Five Year Plan was negative and it had picked-up and become positive in the last two years (i.e., 5.6 per cent in 200-2001 and 7.7 per cent in 2001-02).

CONSIDERABLE INDUSTRIAL BASE

As per the information made available by the Udyog Bandhu, U.P. the number of Industrial Entrepreneur Memorandum (IEM) and Letter of Intent (LOI) issued in U.P. for Medium and Heavy Industries during the Ninth Plan Period ranged between 233 in 2001-02 and 375 in 1997-98 with the amount of proposed investment ranging between Rs.2381.98 crores in 2001-02 and Rs.6316.80 crores in 1997-98 on the one hand, and employment generation possibility ranging between 22,379 persons in 2000-2001 and 67741 persons in 1997-98.

On the basis of these information, while it can be said that U.P. appear to be a favourable destination for investors, it is obvious that there has been a declining trend not only with regard to number of IEM/LOI, but also with regard to the proposed investment and employment. Besides, only 45.0 to 50.0 per cent of IEM/LOIs actually gets materialized. Even then the position of U.P. is better than many other states in this regard.

Similarly during the Ninth Plan Period, the number of SSI units established was reported to have ranged between 27566 in 1998-99 and 29689 in 1999-2000. While the investment in these units was estimated to have ranged between Rs.270.00 crores in 2001-02 and Rs.385.60 crores in 1997-98, the generation of employment ranged between 69,169 persons in 1998-99 and 97,155 in 2001-02, the value of production ranged between Rs.635.04 crores in 2001-02 and Rs.1409.00 crores in 1998-99 (Directorate of Industries, U.P.). Though the trend even in this regard was found to be declining during the period of five years, yet the establishment of 143160 SSI units, an investment of Rs.1662.25 crores, employment of 385891 persons appear to be quite impressive.

As per the Third Census of SSI, there were a total number of 17, 07,977 Small Scale Enterprises in U.P., out of which only 162938 units (9.54%) were reported to be registered. Further, 63.74 per cent of the SSI units were rural units. The total fixed investment in the SSI units was reported to be Rs.17, 288.80 crores and the total gross output was reported to be worth Rs.27423.19 crores. Also, a total number of 40, 02,375 persons were reported to be employed in the SSI units. Thus, even the 3rd Census of SSI gives an impressive picture of the industrial base of U.P. though there could be several debatable aspects.

Handloom Industries in U.P. are of considerable importance with 5230 societies and units, employing 3.79 lakh handlooms and 2.6 lakh weavers. The value of total export from the Handloom Sector in U.P. was over Rs.500.00 crores. The value of annual export from the Handicraft Sector has been estimated to be around Rs.3700.00 crores. Also, the total number of Khadi and Village Industries (KVI) units in U.P. was reported to 128405, producing goods worth Rs.659.69 crores, and employing 436254 persons. The sales figures of theses units were reported to be around Rs.786.35 crores.

The data made available by the concerned departments and corporations about the status of these traditional industries indicate an impressive and substantial base of

such industries in U.P. Even otherwise, U.P. is well known for the traditional industries and it is said that U.P. accounts for almost 65.0 per cent of the craft industries in the country.

Value of the total exports from U.P. in the year 2001-02 was reported to be Rs.20, 113.51 crores, out of which Software and Electronics accounted for 20.6 per cent. Art Metal Works for 10.4 per cent, Engineering & Building Hardware for 9.5 per cent, Hand-woven Carpets and Durries for 7.4 per cent, and Cotton Clothes and Readymade Garments for 5.5 per cent. Besides, 37.0 per cent of the export value was accounted for the other items that were not classified (Source – Export Promotion Bureau, U.P.).

As for the industrial infrastructure, U.P. has 134 developed Industrial Areas and 81 Industrial Estates covering an area of 39050 acres. Besides, 168 Mini Industrial Estates are reported to be there in the State (Source – Udyog Bandhu, U.P.).

On the basis of available information from the concerned departments/ organizations, it can be said that the industrial base of U.P. is considerable. However, it is difficult to ascertain the veracity of data. While some of the data are under consideration. Also, it is difficult to find data on the same aspect having similar time frame from other sources. It is also true that there are variations in data on the same subject collected by different agencies. Therefore, it appears to be wise to take the available data as indicate only.

BACKWARDNESS DESPITE CONSIDERABLE INDUSTRIAL BASE

It is obvious from the above facts that the industrial base of U.P. was quite substantial. Even then U.P. continued to be an industrially base of U.P. was quite substantial. Even then U.P. continued to be an industrial backward state of the country. One of the reasons for continued industrial backwardness of U.P. has been the low growth rate. It may be noted that the growth rate of Secondary Sector in U.P. during the 8th Plan Period was only 3.3 per cent against the same being 8.8 per cent during the 7th Plan Period, 9.5 per cent during the 6th Plan Period, and 7.3 per cent during the 5th Plan Period, 9.5 per cent during the 6th Plan Period, and 7.3 per cent during the 5th Plan Period. The 9th Plan Period had witnessed the lowest growth rate of 0.9 per cent only, and the manufacturing component within the Secondary Sector had negative growth rate to the extent of 3.4 per cent. Thus, there has been a continued decline in the industrial growth rate of U.P. after the VIth Five Year Plan.

While there could be several reasons for this, one of the key factors has been the political instability during this period. In order to gain short term mass support, the focus of development has shifted from industries to the social sector. While it is debatable as to whether the social sector has really benefited from the shift, it cannot be denied that the development of industrial infrastructure has suffered. Also, the overall industrial climate has been on the receiving end and the Governments have hardly been serious about the industrial development notwithstanding the ambitious policy pronouncement.

In addition to the industrial growth rate, there could be several other indicators of the industrial status of a state or a country. Even some of these indicators suggest that U.P. continues to be an industrially backward state. The average number of workers per day in the registered factories per lakh of population in U.P. in 1997-98 was only 365 while the same at the national level was 793, and it ranged from 1176 in Maharashtra to 1680 in Tamil Nadu. The share of workforce in the manufacturing sector to the total work-force in State is another indicator of industrial development. It may be noted that the share of manufacturing sector in U.P. was reported to be only around 8.0 per cent while the same ranged between 11.0 to 16.0 per cent in the States, like West Bengal Gujarat, Tamil Nadu, Maharashtra, Punjab, Haryana and Karnataka. The same at the national level was about 10.00 per cent.

The industrial backwardness of U.P. is also reflected from the per capita consumption of power which was only 191 KWH in 2000-2001 as against 366 KWH at the national level. The 3rd Census of SSI revealed that only 35.8 per cent of the SSI units required electricity while as many as 42.9 per cent of the SSI units did not require power at all. The remaining 21.0 per cent of the SSI units required coal, LPG, Oil, firewood and non-conventional energy for their operation. This indicates that over 64.0 per cent of the SSI units were traditional units dependent on manual skills and solid, liquid and gaseous fuel. As such, the productivity and output level of such units must be quite low.

Even the plan outlay for U.P. appeared to be quite low, incapable of making a dent into the economic backwardness of U.P. It may be noted that the per capita plan outlay in U.P. for the year 2002-03 was only Rs.431.00 as against the same being Rs.981.00 at the national level.

The purpose of discussing the extent of economic and industrial backwardness of U.P. on the hand, and highlighting the economic strength and industrial base of U.P. on the other is to indicate the extent of efforts required for the industrial development of U.P. despite having a substantial base and large potential for industrial development. This would also help in understanding the adequacy of provisions made in the Xth Five Year Plan for accelerating the pace of industrial development of U.P. Also, whether the implementation of industrial component of the Xth Five Year Plan has been effective enough to give a sense of optimism for the future.

TENTH FIVE YEAR PLAN

It has been stated that the Xth Five Year Plan (2002-07) was prepared with a two-fold mission – (i) achieving balanced industrial development and (ii) minimizing the problem of unemployment. Besides, the creation of infrastructure facilities so as to attract more and more capital investment in the State was one of the major objectives of the Xth Plan. However, the total plan outlays for industry and minerals do not seem to reflect the missionary concern. The very introduction of the Industrial and Service Sector Investment Policy, 2004, announced by the Government of U.P. begins with highlighting the major objective of the Xth Five Year Plan.

It has been estimated that there would be an investment of Rs.45,565.14 crores in Large and Medium Industries during the 10th Plan Period and employment opportunities would be generated for 4,55,651 persons. It is also stated that the conversion rate of Industry Entrepreneur Memorandum (IEM)/ Letter of Intents (LOIs) in U.P. has been 45-50%.

INDUSTRIAL & SERVICE SECTOR INDUSTRIAL POLICY

It is expected that with the announcement of the Industrial and Service Sector Investment Policy-2004, it would be possible to generate the envisaged investment and employment during the 10th Plan Period. The Industrial and Service Sector Investment Policy 2004 aims at expediting the process of industrial development in the state with the promotion of private sector participation, development of village and small industries, promotion of export, and greater capital investment by attracting Non-Resident-Indians (NRIs) and Foreign Direct Investment (FDI). It is hoped that by improving the law and order situation, making the administrative structure of the state sensitive and responsive to entrepreneurs, restructuring of the tax regime, large

scale deregulation, industry specific promotional package and deliberate encouragement of service sector would help rapid industrial development of the State.

Accordingly, the strategy of the State Government would be to nurture private economic activities and entrepreneurship, and meaningful partnership between private and public sector would be promoted in the formulation and actual execution and implementation of industrial policy. Regarding the infrastructure, the above policy promises to establish industrial infrastructure development fund, industrial infrastructure development authority and promote infrastructure facilities like travel and transport, electric energy, telecommunication, water supply, industrial estate/areas, special economic zones (SEZs), bio-technology research parks and gas pipelines, etc. Also, the Institute of Design is proposed to be set-up for which the necessary initiatives have already been taken. For the development of electric energy, the policy proposes to provide interest free loan, necessary land to the units at the acquisition cost, and lease its own land for 99 years at the rate of Rs.100/- per acre and so on. The policy proposes to provide uninterrupted power supply to the industrial units and industrial feeders would be exempted from power cuts. Such feeders as has 75 per cent of electricity for industrial supply would be defined as industrial feeders.

The Government would provide land for telecommunication and establish big trade centers in the State Capital in the private or joint sector. Similarly, display sales centers and urban hats are proposed to be developed. Also the financial grants and rebates would be provided to private sector by rationalization of stamp duty, registration fee, land exchange charges and land transfer charges.

Further, the rationalizations of trade tax rates and simplification of procedures, special incentives on establishment of pioneer units, as also rationalizations of interest and financial assistance are other features of the promotion of industries. Regarding rules and regulations, the policy proposes to make the Single Window System effective, simplify the labour laws, industrial laws and pollution laws. Also, there are proposals for the deregularisation of a variety of other rules such as approval of building maps, land acquisition, minimum freight rates for trucks, transfer of investment of UPFC and PICUP in various undertakings to the private sectors, dis-investment in the public undertakings and so on.

Similarly, the industrial policy highlights ways and means of promoting export, comprising master plan for export oriented cities, strengthening the offices of Export Commissioner, and freight subsidy etc.

The policy has special package for small scale and tiny industries, handloom industries, Khadi and Village industries, information technology, bio-technology, service sector and so on. Special policy for service sector lays emphasis on development of hospitals. IT training centers, cinema halls and multiplex, development of high-tech townships and so on. Policy has also specific provision for training of entrepreneurs and human resource development, NRI investment, rehabilitation of sick units and so on.

As such, the industrial policy is quite ambitious and aims at the rationalization and development of almost all aspects required for the rapid industrial development. The policy clearly outlines the vision of the Government of U.P. for industrial development but the most significant question is whether these policies would really be implemented, at least to a substantial extent. This would require a great deals of efforts, commitments and sincerity on the part of the departmental functionaries.

MEAGRE PLAN OUTLAY

It may be noted that the share of proposed outlay for Industry and Mineral in the Xth Five Year Plan was the lowest one at 1.80 per cent Rs.1485.76 crores) as against the same for agriculture and allied activities, rural development, special area programmes, and irrigation and flood control together being 27.10 per cent (Rs.22901.90 crores). How much importance the Government of U.P. has been attaching to the industrial development of the State is very much reflected from the proposed plan outlay itself. Even a rather ambiguous sector, like the ecology and environment had the proposed plan outlay of Rs.2355.25 crores (2.80 per cent share) as against Rs.1485.76 crores for industry and minerals. As such, the 10th Plan does not focus upon the development of industry and minerals though it can be said that there was a net increase of 218.18 per cent in the proposed outlay of the Xth plan over the outlay for the 9th Plan and of 327.31 per cent over expenditure in the IXth Plan.

Even the proposed plan outlay for industry and mineral was further reduced and the finally agreed 10th Plan outlay was Rs.1262.46 crores. Out of the total agreed outlay of Rs.1262.46 crores, Village and Small scale Industries (VSI) accounted for 26.9 per cent, electronics 8.7 per cent, mining 1.0 per cent and the remaining 63.4 per

cent for industries (large and medium). Within the VSI Sector, the outlay of 26.9 per cent (Rs.339.46 crores), Khadi accounted for 6.3 per cent (Rs.80.0 crores), sericulture for 1.69 per cent (Rs.21.31 crores), and Handloom for 10.3 per cent (Rs.130.0 crores).

MEAGRE ANNUAL ALLOCATIONS

The annual allocation of outlay for the first year (2002-03) of the 10th Plan period was only Rs.56.98 crores (4.5 per cent) against which the anticipated expenditure was 54.18 crores only. Except in the case of Khadi (where the anticipated expenditure was Rs.5.55 crores against the outlay of Rs.8.064 crores) and Mining (where the anticipated expenditure was Rs.0.71 crores against the outlay of Rs.1.0 crore), all other sub sectors appeared to have spent the same amount as allocated.

The proposed allocation for the 2nd year (2003-04) was Rs.61.06 crores and all the sub sectors had almost the same amount of allocation (with marginal variations over those in the year 2002-03) except in the case of Industries (Medium and large) where the proposed allocation was Rs.23.0 crores against the allocation of Rs.16.90 crores in the previous year, and Electronics, where the allocation had been substantially reduced from Rs.7.0 crores in the previous year to Rs.3.83 crores in the year 2003-04.

Thus, the total annual plan allocations for Industry and Minerals for the first two years of 10th Plan period was only Rs.118.04 crores against the total plan outlay of Rs.1262.46 crores, accounting for just 9.3 per cent. As such, it is obvious from the total plan outlay as well as from the annual allocations for the first two years that the development of Industry was not at all a major objective of the 10th Five Year Plan. If not even 10.0 per cent of the outlay could be utilized in the first two years, how could it be possible to make use of the remaining 90.0 per cent of the outlay during the remaining 3 years?

MEAGRE ALLOCATIONS & PLAN EXPECTATIONS

Now the question arises as to why this state of affair in such a large state and which is industrially so backward and that too in the era of liberalization and globalization? For such a vital sector of the economy, like industry which is supposed to play a catalytic role in the so much desired structural change of the state economy, change in occupational structure of the State, and raising the living standard of the people of the State? Can this pattern of plan allocations and expenditure help in

reducing regional disparity in the industrial development, reducing unemployment, and creating world-class infrastructure to attract large scale domestic and foreign investment. Would this level of plan outlay, annual allocations and expenditure help secure the target annual industrial growth rate of 12.0 per cent? The obvious answer has to be in negative. Such a low level allocations can not succeed in creating conducive conditions for attracting large scale investment and rapid industrial growth of the State.

SUB SECTOR – ALLOCATION & PERFORMANCE

Industry and Mineral Sector of the 10th Five Year Plan consists of the following sub-sectors:-

1. Small Scale Industries
2. Khadi & Village Industries
3. Handloom Industries
4. Sericulture
5. Industries (Medium & Large)
6. Information Technology & Electronics
7. Mining

1. SMALL SCALE INDUSTRIES (SSI)

the total outlay for SSI in the 10th Five Year Plan (2002-07) is Rs.108.15 crores out of which only Rs.8.45 crores was approved for the year 2002-03, Rs.8.00 crores for the year 2003-04, and the proposed outlay for the year 2004-05 was Rs.5.85 crores. Thus, only Rs.22.30 crores out of Rs.108.15 crores was allocated in the first 03 years amounting to only 20.62 per cent of the total outlay. The rest 79.38 per cent of the outlay (Rs.85.85 crores) would have to be utilized in the remaining period of two years. The average annual utilization of plan outlay for the first three years was worked out to Rs.7.43 crores only, and at this rate only about Rs.14.86 crores could be utilized in the next two years. What would happen to the remaining plan outlays of Rs.71.0 crores? Is there any special plan to make use of the remaining plan outlay in the next two years? If the same level of allocation and utilization of outlay continues in the coming two years as in the first three years, there is a grater possibility of the Xth Plan performance being lower than the IXth Plan.

Targets of the Xth plan for the SSI sub-sector are establishment of 150,000 SSI units and creation of 6 lakh additional employment opportunities through them.

This means that 30,000 SSI units are to be established every year and 120000 employments are to be created through them every year. If one goes by the data available (provided by the Directorate of Industries, U.P.), targets for establishment of SSI Units had been achieved in excess during the year 2002-03 as well as 2003-04, and the achievement with regard to employment generation was 94.00 per cent and 98.0 per cent respectively for the two years. Also, an investment of Rs.548.26 crores was reported to have been generated in this process during the period of first two years of the 10th Plan. If one goes by the data made available by the concerned Department, it can be said that the objectives of annual plans (and Xth Plan) in this regard had been largely achieved. It may also be noted that in the small scale sector the role of Government Agencies is only promotional and most of the investments originates from the private sector. As such, it can be said the SSI sector has succeeded in achieving the targets of Xth Plan to the extent of establishment of SSI units, generation of investment and employment.

The performance under Prime Minister's Rozgar Yojana (PMRY), Entrepreneurship Development Programme (EDPs), and Single Table System is reported to be quite good in the first two years of the 10th Plan period. Under the PMRY, the achievement of target was reported to be 86.9 per cent for the year 2002-03 and 86.6 per cent for the year 2003-04. For EDP, the achievement was 106.10 per cent during the year 2002-03 and the same was 93.9 per cent during the year 2003-04. But the most surprising aspect was more than 3 fold increase in the target of EDPs during the year 2003-04 over that during the year 2002-03. It may be noted that the target number of EDPs increased from 716 (organized 750) in 2002-03 to 2249 (organized 2156) in 2003-04. Similarly, the target number of trainees increased from 29335 (21137 trained) in 2002-03 to 104510 (98182 trained) in 2003-04. How could this be accomplished without any significant increase in the allocation of plan outlay? Also, as to what could have been the impact of such an increase on the content and effectiveness of EDPs?

It is obvious that the number of long duration EDP (Standard EDP of six weeks duration) was substantially reduced and the number of short duration Entrepreneurship Awareness Programme (EAPs) or Campus (EACs) (duration being two weeks or less than that) were substantially increased. Such an approach to the promotion and development of entrepreneurs (particularly, first generation entrepreneurs) can hardly be effective in the long run. Efforts should be made to

ensure that at least one standard EDP of six weeks duration is conducted in each district every year and with the help of proper follow-up and escort services majority of the trained potential entrepreneurs are enabled to set up their enterprises. Such trained successful entrepreneurs themselves would become a major motivation force for other youths who could opt for entrepreneurial careers rather than hunting for jobs in vain.

As far the Single Table System (STS), the achievement was reported to be 99.9 per cent for the year 2002-03, and 99.0 per cent for the year 2003-04 as 20014 applications out of 20034 complete applications received in 2002-03 and 21365 applications out of 21578 complete applications received in 2002-03 were reported to have been disposed off. However, these information are not sufficient for the evaluation of STS. There is a need to have these information purpose specific and the nature of assistance provided for. Mere disposing of application (Positive or negative) hardly serve any development purpose.

Performance under these select areas indicated that the SSI sub-sector had been doing quite well in meeting the targets of 10th Five Year Plan and there was hardly any major area of concern. And that too with a paltry amount allocated under the 10th Five Year Plan. But it must not be forgotten that the source of these performance related data is the concerned department only and the real picture of performance can emerge only with the help of independent studies conducted by the professional institutions/agencies covering a cross section of the stakeholders of the SSI sub-sector. The performance related areas of investigation aiming at improving the delivery system could be the quality of manpower, availability of information, data and reference materials, extent of facilities, treatment meted out to the clients, speed of service delivery, quality of assistance and so on. Any evaluation effort or appraisal based on the data furnished by the respective departments may not be able to capture the ground realities.

KHADI AND VILLAGE INDUSTRIES

The thrust areas of Khadi & Village Industries (KVIs) for the 10th Five Year Plan are stated to be (i) creation of sustainable employment opportunities for the rural unemployed youth, (ii) providing gainful employment to agricultural labour, small and marginal farmers during the lean season, (iii) Intensive Rural Industrialization through cluster approach, (iv) developing entrepreneurs exclusively for marketing of

village industries products, and (v) development of Hand-Made Paper Industries and so on. Besides, the emphasis for Scheduled Castes/Tribes, Backward Classes, Women and Minorities. Also attempts are proposed to be made for common Trade Marks, Quality Control, Development of Designs, and development of infrastructure facilities for traditional village industries and so on.

All the above mentioned tasks are to be accomplished with the plan outlay of Rs.80.0 crores only. Against the total plan outlay of Rs.80.00 crores, only Rs.8.06 crores had been allocated for the year 2002-03, Rs.9.0 crores for the year 2003-04 and about Rs.8.0 crores for the year 2004-05. Thus, only about Rs.25.0 crores had been allocated during the period of first three years, accounting for just 31.3 per cent of the plan outlay. This means that the remaining 68.7 per cent of the outlay would be utilized in the coming two years of the 10th Plan Period. But the question to be answered is as to how? It may also be noted that only Rs.5.55 crores had been utilized in the year 2002-03 against the annual allocation of Rs.8.06 crores.

But even with this meager allocation and utilization of the plan outlay, the performance seems to be commendable as suggested by the data made available by the Khadi & Village Industries Board of U.P. It may be noted that the target for the 10th Plan is to establish 25000 village industries leading to the creation of employment opportunities for 2.5 lakh unemployed youth. This would mean 10 employment opportunities per unit which itself is of quite a high order. Against these targets, it has been reported that 3452 Khadi and Village Industry units had been established in the year 2002-03 with an investment of Rs.103.32 crores. As such, the average investment per unit was over Rs.299305.00. Also, these new units had created employment opportunities for 30213 persons, i.e., about 9 persons per unit. On the other hand, 2864 units had been established till the end of September 2004 with an investment of only Rs.20.45 crores and these units had created employment opportunities for only 6882 persons employed. Thus, the per unit investment had subsequently gone down to Rs.71, 404.00 and per unit employment to 2.4 persons. What could be the reason for such a drastic decline?

Even then, only 6313 units were reported to have been established with the employment opportunities for 37095 persons till September 2004. Could it be possible to establish the remaining 18684 units having employment opportunities for 212905 persons in the remaining period of the Xth Plan?

As far the other schemes like interest subsidy, rebate on sale of Khadi, industrial feasibility studies, project formulation and survey, product development of Hand Made Paper, designing and packaging development and others, there is neither any specific target nor any data available to assess the performance. Thus, the lack of specific target for a number of proposed developmental activities and allocation of funds against them could be one of the areas requiring necessary action for improvement. It is well known that KVIB has been operating on traditional pattern and not much innovative development initiatives have been taken. Though a number of initiatives are proposed in documents they are hardly implemented. Besides the field setting of KVIB is neither very efficient not effective enough to attract entrepreneurs in the rural areas. At the same time, need for the location of production enterprises in the rural areas also works as a constraint. Functioning of the staff of KVIB and its associated organizations are so lack-luster and could hardly attract new customers and consumers. It may also be noted that mere technical knowledge of production would not be sufficient either for the officials of Board or entrepreneurs to promote and manage technology by the officials, and suitable attitudinal changes in them. Also, there should be greater emphasis on business orientation of potential KVIB entrepreneurs and professional management of the existing enterprises and offices. Since the financial support for the banking sector has become vital for the success of KVIB Schemes, closer coordination and liasoning with banks is must for the future.

HANDLOOM

Within the VSI Sector, outlay under the 10th Five Year Plan being Rs.130.00 crores for the Handloom Sector is the largest one. Out of the total plan outlay, Rs.17.31 crores had been allocated in the year 2002-03, Rs.14.50 crores in 2003-04 and Rs.14.50 crores for the year 2004-05. Thus, only Rs.46.31 crores out of Rs.130.00 crores could be allocated in the first three years of the 10th Five Year Plan, accounting for about 35.62 per cent. If the remaining outlay of Rs.83.70 crores is to be utilized in the remaining two years of the 10th Plan, the annual allocations would have to be increased to three fold of what have been allocated during the first three years and the Handloom Sector would have to make three fold efforts. How could it be possible?

As for the physical targets, it appears that the Handloom Sector has the target of producing 510 million meters of cloths each year and generation of 25000 employment every year. Against these targets, achievement was to the tune of 97.6 per cent in 2002-03 and 91.0 per cent in 2003-04 with regards to the production of handloom cloths. As for the achievement of employment generation target, it was reported to be 32.7 per cent in 2002-03 and 77.3 per cent in the year 2003-04. During the year 2004-05, both the production of cloths and the generation of employment were reported to be 100.00 per cent of the annual target.

As for the Deen Dayal Hathkargha Protsahan Yojana, the total allocation for 03 years was Rs.21.925 crores against the total plan outlay of Rs.64.0 crores accounting for 34.26 per cent of the target. Against the outlay of Rs.21.925 crores, the achievement was reported to be Rs.18.81 crores, accounting for 85.79 per cent of the allocation. However, only Rs.18.81 crores could be utilized against the total plan outlay of Rs.64.0 crores accounting for just 29.39 per cent. Thus, the achievement with regard to the largest component of Handloom Sector was less than 30.00 per cent in the first 03 years of the Xth Five Year Plan.

Another interesting feature was the allocation and utilization of funds under the Marketing Incentive Scheme. As against the outlay of Rs.4.5 Crores for the Xth Plan period, allocations in the first three years of the plan period was reported to be Rs.8.4 crores, and the utilization was reported to be Rs.15.56 crores. Thus, the total allocation was to the extent of 186.70 per cent of the total plan outlay and the utilization was 345.8 per cent of the same. As such , there was hardly any relationship between the plan outlay and annual allocations and utilization of funds.

As for the installation of computers in the Directorate, restructuring of cooperative societies, strengthening of Directorate. Assistance to Handloom Corporation and UPICA etc. though outlay had been made, neither any annual allocation nor utilization of funds was reported in the last three years. In some cases, like establishment of Textile Centre, Development of Knitwear/Garment Centre, Preservation of arts and crafts though annual allocations for the first two years had been indicated, hardly any utilization was reported against the annual allocations. All these indicate that the planned development of Handloom Sector is yet to be established in the real sense.

SERICULTURE

Sericulture is an important industry and there is a good potential for this industry in the State of U.P. The Sericulture Department has a lot of innovative schemes by the physical and financial targets under the different schemes have neither been outlined nor are the target specific achievement figures available to afford their mid-term appraisals. The total outlay for the 10th Five Year Plan was Rs.21.31 crores out of which only Rs.1.73 crores had been allocated in the year 2002-03 and the same amount in the subsequent year of 2003-04. Thus, only Rs.3.46 crores out of Rs.21.31 crores, accounting for 16.2 per cent, had been allocated in the first two years. As such, 83.80 per cent of the allocations would have to be made in the remaining 03 years.

LARGE AND MEDIUM INDUSTRIES

Major schemes for the industrial development are development of two Agro Parks at Lucknow (in Barabanki district), and Varanasi, 07 Growth Centres at Bijauli (in Jhansi district), Shahjahanpur, Moradabad, Jainpur (in Kanpur Dehat district), Dibiapur, Shataharia and Sahjanawan (in Gorakhpur district), and setting up of 05 Special Economic Zones (SEZs) in Bhadohi, Kanpur, Greater Noida Authority (GNA), NOIDA and Moradabad district. While the progress of Agro Parks and Growth Centres appear to be satisfactory, the same can not be said about the SEZs. Though the process of developing SEZs was initiated in the year 2002 itself, and U.P. is the first State in the country to have enacted Special economic Zone Act 2002, most of the proposed SEZs are still in the process of land acquisition and hardly any significant progress seems to have been made except in the case of SEZ at Moradabad. The only SEZ functioning in the state is at NOIDA which was converted from Export Processing Zone (EPZ) to Special Economic Zone (SEZ).

Other major instruments for industrial development are Industrial Development Authorities viz., New Okhla Industrial Development Authority (NOIDA). Greater Noida Authority (GNA), Shataharia Industrial Development Authority (SIDA) in Jaunpur district, and Gorakhpur Industrial Development Authority (GIDA) in Gorakhpur district. Among these 04 authorities, while NOIDA and Greater NOIDA have been doing well, SIDA and GIDA appear to be still lagging behind. Therefore, it is high time that greater attention was paid to these two

industrial development authorities located in the industrially backward regions of Eastern U.P.

Another important agency for industrial development is the U.P. State Industrial Development Corporation (UPSIDC). If the target and achievement figures are taken into account, it can be very well said that UPSIDC has been doing quite well. As against the target of acquiring 1000 acres land in the year 2002-03, the achievement was more than double at 2038 acres. Similarly, there was 100 per cent achievement in the development of industrial land of 853 acres. Also, against the target of 1000 acres, UPSIDC had succeeded in allotment of 1923.03, the achievement was more than double at 2038 acres. Similarly, there was 100 per cent achievement in the development of industrial land of 853 acres. Also, against the target of 1000 acres, UPSIDC had succeeded in allotment of 1923.23 acres of land. While 191 industrial units on the allotted land were already in production, 296 industrial units were under construction during the year 2002-03. In the year 2003-04, UPSIDC had succeeded in acquiring 1185.70 acres of land against the target of 1000 acres and had developed 870 acres of land against the target of 840 acres. Similarly, UPSIDC had succeeded in the allotment of 1207 acres against the target of 700 acres during the year 2003-04.

It may be noted that the total plan outlay for large and medium industries during the 10th Five Year Plan is Rs.800.00 crores. Out of which only Rs.16.9 crore had been allocated during the year 2002-03 and Rs.23.0 crore during the year 2003-04. Thus, in the first two years of 10th Plan Period only about 39.9 crore had been allocated. At this rate how could it be possible to make use of the remaining 760 crores within a period of the remaining 3 years. Thus, not only the allocation of Plan outlay was low for the industrial development but even the annual allocations were meager and one doubts whether it would be possible to make use of more than Rs.200.00 crores in the 10th Plan Period.

INFORMATION TECHNOLOGY AND ELECTRONICS

The 10th Five Year Plan has an outlay of Rs.110.00 crores for Information Technology and Electronics. However only Rs.7.00 crores had been allocated for the annual plan 2002-03, Rs.3.83 crores for the annual plan 2003-04 and Rs.6.00 crores for the annual plan 2004-05. Thus the total allocation for the first 03 years of 10th Five Year Plan was only Rs.16.83 crore against a total outlay of Rs.110.0 crores. As

such it is hardly possible to make use of the remaining Rs.92.17 crores in the last two years of the 10th Five Year Plan and the bulk of outlay for the 10th Plan is bound to remain unutilized. This is in spite of the fact that the Government of U.P. asserts in the Industrial and Service Sector Investment Policy – 2004 that it is committed to bring I.T. to masses, accelerate the use of I.T. in schools, colleges and educational institutions, building electronic cities at NOIDA, as also Software Technology Park at NOIDA, Agra, Lucknow, Kanpur, Allahabad, Varanasi and Moradabad. As a whole, the policy for I.T. is quite ambitious and if implemented effectively a lot of additional funds would be required. But the question is whether the policy would be taken up seriously in a real sense. The progress made during the last 03 years does not give much scope for optimism.

GEOLOGY & MINES

The outlay of the 10th Five Year Plan is Rs.13.00 crores out of which only Rs.1.0 crore had been allocated in the year 2002-03 and Rs.1.00 crore during the year 2003-04. Out of this only Rs.54.83 lakh had been spent during the year 2002-03 though the sanctioned amount was 65.01 lakh. The same during the year 2003-04, was Rs.68.47 lakh against the sanctioned amount of Rs.68.60 lakh. Thus, the total expenditure during the first two years of the 10th Plan Period was only Rs.123.30 lakh accounting for less than 10 per cent of the plan outlay. As such there are little possibilities that the plan outlay of Rs.13.00 crores would be utilized during the Xth Plan Period.

It is obvious from the above discussion that the plan outlay for industries and mining is the lowest among the major heads of Xth Five Year Plan, yet most of the departments involved in the industrial and mineral development has been unable to make use of the outlay to the fullest extent. If the trend witnessed during the first 2-3 years of Xth Five Year Plan is any indication, but of the plan outlay is bound to remain unutilized. What could be the reason for this. Is there lack of vision for the development of industrially backward state of U.P. or the concerned departments are rather incapable of making much efforts for the industrial development of the State? There is need to delve deeper in order to understand the industrial backwardness of the State of U.P. If this trend is allowed to continue, there is little scope to hope for making U.P. an industrially developed state of the country.

There is a need for a greater integration of planned provisions of industrial development and the departmental allocations of funds and execution of plan. One

gets the impression that there is hardly any relationship between plan outlay and annual allocation of funds. Also, there is no mechanism for the collection of reliable data from the field. The data provided by the individual departments hardly reflect the ground realities. Keeping in view the policy for industrial development, there is an urgent need to orient the departmental and field staff and make them accountable for the achievement of targets. Besides, independent agencies should be engaged for the collection and analysis of data on a regular basis.

CHAPTER VIII

URBAN DEVELOPMENT AND POVERTY ALLEVIATION

Urban population of Uttar Pradesh, as per the census 2001, is 34.51 million, accounting for 20.78 per cent of the total population. The annual growth rate of urban population during the period of 1991-2001 was 32.8 per cent, which was greater than the growth rate of total population. It has been estimated that the annual growth rate of urban population in U.P. was 2.88 per cent while the same at the national level was 2.75 per cent. As such, the urban population in U.P. has been growing at a faster rate. It has also been found that about 28 per cent of the total urban population in U.P. is located in six metropolitan cities of the state viz. Kanpur, Lucknow, Agra, Varanasi, Allahabad and Meerut. The growth rate of population even in these cities is much higher and it has been estimated that the growth rate during the period of 1991-2001 was about 48.00 per cent. This suggested that almost one and half of the population of these cities were added during the last one decade.

The total number of house hold added to urban centers in U.P. during the period of 1991-2001 was as high as 14.23 lakh, out of which 10.75 lakh households were added due to the natural growth of population while the remaining 3.6 lakh households were added through migration of population. With such a high growth of urban population, it is obvious that there could be a variety of problems in the urban areas to be taken care during the 10th Plan period. The problems of urban areas could be with regard to dwelling units, infrastructure facilities and growing demand for goods and services. Also, with the migration of population from the rural areas there could be problems of urban poverty, unemployment and unhygienic living conditions. all these call for a planed development of urban amenities.

Broadly there are three departments, in U.P. that deal with urban planning and development. These are:

- i. Housing Department,
- ii. Urban Development Department,
- iii. Urban Employment and Poverty Alleviation Department.

HOUSING

HOUSING NEED

In the urban areas, development of housing under the State Sector is taken care of by the Housing Department and actual implementation i.e. acquisition and development of plots, construction of houses and allotment are done by the local development authorities and the State Housing Board. It has been estimated that in U.P. there was a shortage of 7 lakh dwelling units in 2002 and additional 9.03 lakh dwelling units would be required during the Xth Plan Period (i.e. 2002-2007). Thus, there would be a shortage of 16.03 lakh dwelling units in U.P. during the Xth Plan Period.

STRATEGIES FOR HOUSING

In order to meet this requirement, a set of strategies were adopted for the Xth Five Year Plan. It has emphasized that the acquisition of land would be done through negotiations and about 12.5 per cent of land would be reserved for the people affected by projects. The 'consent award' would be initiated by amending either land acquisition Act or U.P. Urban Planning and Development Act. In order to facilitate the development of trunk infrastructure, development of land would be done through land pooling techniques would be applied. Also, involvement of private organized section and cooperative sector in housing would be increased and such organizations would be asked to set-aside 35.00 per cent of the land for people belonging to economically weaker sections (EWS) and low income group (LIG), while the remaining 65.00 per cent would be available for concerned organization to develop and allotted them as per their perceptions. Also, that no construction of housing would be done in state sector and only plots for economically weaker sections and low-income group people would be considered.

For meeting the housing requirement of urban areas during the Xth Five Year Plan, it was proposed that only 35 per cent of the dwelling units (i.e. 5.6 lakh dwelling units out of 16.03 lakh dwelling units) would be in the formal sector including the state sector, institutional sector, cooperative societies and private formal sector. The development of these dwelling units could be in the form of construction of house as well as development of plots in the ratio of 70:30 respectively. The remaining dwelling units of 10.4 lakh would be developed through the informal sector.

TARGET FOR HOUSING & NON-UTILIZATION OF PLAN OUTLAY

Under the State Sector, 36000 LIG plots were proposed to be developed for which Rs.300.00 crores was required. Out of Rs.300.00 crores, Rs.150.00 crores was to be arranged from LIC&GIC and the remaining Rs. 150.00 crores was to come from the State Government. Accordingly, the outlay for housing during the Xth Five year Plan Period was fixed at Rs.300.00 crores and an amount of Rs.33.00 crore was allocated for the year 2002-03.

During the subsequent year 2003-04, 3700 LIG plots were proposed to be developed for which an amount of Rs.30.5 crores was required. Accordingly, outlay for the year 2003-04 was Rs.30.5 crore and it was decided that Rs.30.00 crore would be arranged from LIC and GIC and the balance Rs.50.00 lakh would be met from the State Government resources.

However, it was reported the approved outlay for the Xth Five year Plan was only Rs.110.00 crores and no fund could be released for the first two years of the Xth Plan and even the anticipated expenditure for 2004-05 was stated to be NIL. The main reason for the non-utilization of plan outlay was stated to be the lack of allotment of funds for housing sector in U.P. from the Life Insurance Corporation (LIC) and General Insurance Corporation (GIC) due to the default in repayment of loan and interest by some other departments of the Govt. of U.P.

However, the draft annual plan of 2003-04 showed that there was a provision of Rs. 230.00 crores for housing during the Xth Five Year Plan out of which Rs. 69.30 crore had been approved for the year 2002-03 against which the anticipated expenditure was to the tune of Rs.88.34 crores. Further, the proposed outlay for the year 2003-04 was Rs.19.00 crores.

It is obvious from the proceeding discussion that there is a lot of inconsistency in the figures of plan outlay for the Xth Five Year Plan as well as annual plans and the information furnished by the department concerned. As such, it is very difficult to make an appraisal of Xth Five Year Plan on the basis of these data for the development of urban housing in U.P. However, it is very much clear that there seems to be a major problem in this component of Xth Five Year Plan and it is doubtful whether the objective of Xth Five

Year Plan with regard to development of urban housing would be achieved. Since a period of two years is still left, efforts should be made to take it seriously keeping in view the acute shortage of dwelling units in the urban areas of Uttar Pradesh. The approved outlay for the Xth Five Year Plan was stated to be Rs.230.00 crores for this component and an amount of Rs.105.43 crores was reported to have been utilized by March 2004. For the year 2004-05, the approved outlay was Rs.20.50 crores out of which Rs.3.09 crores had been utilized till Aug. 2004.

URBAN DEVELOPMENT

There are three major schemes under the urban development programme. These are:

- i. National Capital Region (NCR)
- ii. Nagar Vikash Yojana (NVY),
- iii. Integrated Development of Small & Medium Town

The National Capital Region Programme is sponsored by the Government of India and it has three components, (a) National Capital Territory, (b) Delhi Metropolitan Area, and (c) Rest of National Capital Region.

While the objective of National Capital Territory is to control and restrict the growth of Delhi, the Delhi Metropolitan Area programme aims at moderate growth and the National Capital Region programme aims at induced growth in the National Capital Region. Under the NCR scheme, attempts are made to remove economic activities, like industry, offices and wholesale trading etc. from Delhi to the areas of National Capital Region on the one hand, and develop regional infrastructure, community facilities and other amenities and utilities in the neighborhood of Delhi comparable to those in the Delhi metropolitan area. Under this scheme, the urban centers of NOIDA, Greater NOIDA, Ghaziabad, Modinagar, Hapur, Pilakhua, Bulandshahar, Khurja and Meerut are covered. Attempts are also being made to develop Bareilly as the counter magnet city. The overall objective is to restrict the further growth of Delhi Metropolitan area and develop the urban centers in the neighborhood to attract the economic activities and migrating population which otherwise would have gone to Delhi.

Under the NCR schemes 75 per cent funds are made available by the Government of India and 25 per cent by the State Government. As such only a nominal amount of Rs.1.00 crore was proposed to be allocated during the year 2003-04 and it was assumed that the concerned implementing agencies, like housing Board, Development Authorities, UPSIDC, UPPCL and UPSRTC and others will arrange the remaining 25.00 per cent required as the share of the State Government. Since all these are centrally sponsored schemes, the concerned department has little information to furnish for appraisal of 10th Five Year Plan in this regard.

NAGAR VIKAS YOJANA

Nagar Vikas Yojana aims at the development of parks, transit hostels, civil service institutes, community centers and so on. For this, funds are made available to the development authorities and local bodies. The allocation for the year 2002-03 was Rs.4.00 crores. The same for the year 2003-04 was Rs.4.00 crores and Rs.5.5 crores had been proposed for the year 2003-05. Also, during the year 2002-03 there was a provision of Rs.50.34 crores for the construction and development of "Dr. Ambedkar Antarrashtriya Samajik Parivartan Sahitya Sangrah Sansthan Evam Sangrahalaya". Similarly, during the year 2004-05 there was an allocation of Rs.10.00 crores for the construction of "Indira Pratisthan". Thus, there was an allocation of Rs.73.34 crores under the Nagar Vikas Yojana.

How casual approach to the city development schemes is obvious from the above figures. While a meager amount of Rs.4.00 – 5.00 crores is allotted for the development of cities in the State for one year, a single institution claims a huge amount running into ten folds of the annual outlay. Could it be possible that funds for specific institutions are provided separately so that the availability of funds for city development scheme is not are not appropriated entirely by a single project of a particular city?

INTEGRATED DEVELOPMENT OF SMALL & MEDIUM TOWNS

This scheme was introduced during the 6th Plan period and is funded on matching basis by the Government of India and the State Government, Hudco and financial institutions on the basis of proportionate share which differ across the class of towns. Cities & towns having population up to 05 lakh are selected for this scheme.

Accordingly to the Census of 2001, there were 670 such urban centers in U.P. till the end of March, 2002, 110 towns of the state of U.P. had been covered by this scheme and the target for the 10th Five Year Plan is to cover 150 additional towns. It is reported that 71 towns had benefited in a period of First two and half years of 10th Five Year Plan and it was hoped that the number of such town would go up to 91 against target of 90 towns by end of March 2005. Under this scheme, a total amount of Rs.70.0 crores was proposed for the Xth Five Year Plan against which Rs.10.58 crores was released during the year 2002-03 and Rs.6.75 crores during the year 2003-04. A sum of Rs.13.88 crores had been received in 2002-03 and Rs.10.92 crores in the year 2003-04 from the Government of India as their share. Further, there was an allocation of Rs.15.00 crores for the year 2004-05 against which Rs.3.09 lakh had been released by the State Government till September 2004 and Rs.3.82 crores as a share of the Government of India. Thus, the State Government had released a total amount of Rs.20.42 crores, and Rs.28.62 crores had been received as the share of Govt. of India. However, it is not known as to how much has been contributed by the local bodies whose share ranges from 20.00 per cent to 40.00 per cent of the project cost depending on the size class of towns and cities.

While progress of the scheme during the Xth Plan period, on the basis of release of funds from the Govt. of U.P. and Govt. of India appear to be satisfactory, the outlay seem to be meager keeping in view the number of urban centers (150) to be covered during the Xth Plan period. As such, the impact of the scheme is bound to be marginal only.

URBAN EMPLOYMENT AND POVERTY ALLEVIATION (UEPA)

The third component of plan for Urban Development is the Urban Employment and Poverty Alleviation Programme which aims at tackling unemployment problem of urban poor and affords them congenial and hygienic living conditions. This component is implemented by the State Urban Development Agency through its field level organizations. It has been estimated that almost one-fourth of urban population lives below the poverty line and urban unemployment in U.P. is estimated to be 4.8 per cent as against only 3.1 per cent in the rural areas. In order to tackle the twin problems of urban poverty and unemployment two major schemes are under operation while one is known as Swarn Jayanti Shahari Rozagar Yojana (SJSRY) and other is called National Slum

Development Programme (NSDP). An outlay of Rs.60.00 crores has been made for SJSRY and Rs.200.50 crores for NSDP. Thus, the total outlay for these schemes under the Xth Five Year Plan is Rs.260.50 crores. This outlay is substantially lower than the out of IXth Five Year Plan (Rs.320.00 crores) against which the actual expenditure during the IXth Five Year Plan was Rs.254.70 crores. Thus, there has been hardly any enhancement in the plan outlay for this component in comparison with the same in the IXth Five Year Plan.

Out of the total plan outlay, the allocation for the year 2003-04 was Rs.48.10 crores i.e. Rs.8.0 crores for SJSRY and Rs.40.10 crores for NSDP. The outlay for the 2nd Year, i.e. 2003-04 was same but only Rs.5.24 crores was reported to have been spent under SJSRY while the same under NSDP was Rs.40.10 crores. The proposed outlay for the year 2004-05 was Rs.8.0 crores for SJSRY while the same for NSDP had been enhanced to Rs.42.80 crores. Thus, the annual outlay in the case of NSDP appeared to be quite normal but the same can not be said about the SJSRY as there was approved as well as proposed outlay of Rs.24.00 crores only in three years and the total expenditure against outlay was Rs.21.24 crores only. This would mean that the remaining plan outlay of about Rs.39.00 crores would have to be spent in the remaining period of two years.

SWARN JAYANTI SHAHARI ROZAGAR YOJANA (SJSRY)

Within the scheme of SJSRY there are several sub-schemes known as urban Self-Employment Programme (USEP) Training Programme, Development of Women and Child in Urban Areas (DWACUA), Thrift and Credit Society (TCS), and Urban Wage-Employment Programme (UWEP). USEP aims at providing financial assistance through banks for self-employment to the urban unemployed poor. Training Programmes aims at developing and upgrading the technical skills of urban poor so that they could get gainful employment for themselves. DWACUP aims at organization of urban poor women in groups for taking up self-employment ventures. Each DWACUA group can secure subsidy to the extent of either 50 per cent of project or Rs.1.25 lakh whichever is less. TCS can be set up by DWACUA groups who could be eligible for a lump-sum amount of Rs.25, 000.00 as revolving fund at the rate of Rs.1, 000.00 per member but only after one year of the formation of the society. The fund can be used by the group of the society for

a specific purpose. Another special scheme of SJSRY, Urban Wage Employment Programme (UWEP) aims at providing wage employment to urban poor living below the poverty line by utilizing their labour for construction of social and economical public assets. While 60.00 per cent of funds allocated under this scheme are to be utilized for materials, the remaining 40.00 per cent can be utilized for the payment of wages.

SJSRY is an innovative scheme planned to be implemented by the District Urban Development Agency (DUDA) with the help of community based organizations but the ground level situation is yet to be stabilized and made fully functional. As such, there is a need to strengthen the organizational set up both at the district level and community based organizational set ups in the urban centers. Manpower, funds, devolution of functional authorities, a substantial dose of training and retraining to the functionaries to government as well community organizations in order to upgrade their knowledge and skills as well as to bring about desirable attitudinal changes in them are some of the requirements to make them functionally effective. There is also a need to encourage the use of Information Technology (IT) among the functionaries and make the system transparent.

NATIONAL SLUM DEVELOPMENT PROGRAMME (NSDP)

The second important component is the National Slum Development Programme (NSDP), which aims at improving the living conditions in the slums by providing basis amenities, health facilities, dwelling units, education and awareness to the slum dwellers. NSDP is operational only in 88 out of about 676 urban centers in U.P.

Another sub-scheme is the Abolishing Scavenging and Rehabilitation of Scavengers. As per the Employment of Manual Scavengers and Construction of Dry Latrine (Prohibition) Act.1993 of Govt. of India and its adoption by the State Government, the State has to be made Scavengers free within a specified period. This scheme encourages construction of low-cost sanitation scheme and provides for the rehabilitation for scavengers who would be liberated from the inhuman practice of carrying and cleaning night soil.

OBSERVATION

Though the aggregated performance data as well as amount spent have been indicated, it is not obvious from the available information as to what has been the progress within the period of last three years of the Xth Five Year Plan. As such it is difficult to go for physical and financial appraisal of each of the several schemes with regard to Xth Five Year Plan.

Though a number of financial institutions and banks have come forward to provide financial assistance for development of housing facilities in the private sector but the state sector seems to have suffered a lot, particularly during the Xth Five Year Plan period. As hardly any progress is reported in this regard, a systematic review and follow-up actions are required to put back the activities of Housing Department on the rail. As for the Nagar Vikas Yojana, it seems that pet personality oriented projects/monuments have taken precedence over the developmental need of cities. While there is a little allocation of funds (just about Rs.4.00 – 5.00 crores for the State as a whole) for the development of cities, there does not seem to be any shortage of funds for the personality-oriented monuments. If at all such monuments and projects are considered necessary, requiring bulk of funds, they should be separated from the on-going schemes, and treated as independent projects. By doing so, the distortion in the planning for development and deprivation of on-going schemes from funds could be avoided.

While the progress with regard to integrated development of small and medium towns is appear to be reasonable, keeping in view the large number of towns and their requirements the allocation of funds seem to be inadequate. As for the Urban Employment and Poverty Alleviation Programme is concerned, the progress seems to be satisfactory. But of the field level organizations envisaged for the effective implementation of project is yet to be strengthened. A great deal of systematic and transparent efforts is required to make the impact of these schemes on urban poor visible. The best part of the SJSRY scheme is that scheme is being implemented through active participation of women functionaries at the community level and if this innovative mechanism is really takes off, it would help a lot not only in the mitigation of urban poverty but also in the empowerment of urban women and that too of weaker sections at the community level.

CHAPTER IX

INFRASTRUCTURE DEVELOPMENT IN UTTAR PRADESH

Introduction

Infrastructure can be broadly classified in to physical, social and financial category, where all are economically desirable for the development of an economy. Physical infrastructure is largely consists of irrigation, power, transport, telecommunication, water supply etc. However, this category of infrastructure has direct impact on enhancing production through external economies. It contributes to economic growth through lower transaction cost, generates multiplier effect on investment, employment, output, income and ancillary development (Ghosh and Prabir De, 2004). On the other hand, social infrastructure through enrichment of human resources in terms of education, health, housing, recreation facilities etc. improve the quality of life. Finally financial infrastructure, such as banking sector, postal and tax capacity of the population represents the financial performance of the state. All the three categories of infrastructure not only enhance production and consumption directly but also create many direct and indirect externalities. Keeping in mind the linkage between infrastructure and economic growth, it is necessary to evaluate the performance of these infrastructures for economic development during the 10th plan in the state of Uttar Pradesh. However, we are here only concentrating the role of physical infrastructure for the development of the economy. Moreover, considering the constraints in the availability of data and other related information, we shall be able to focus on irrigation, power and transport within the physical infrastructure.

Keeping in mind, the role of physical infrastructure for economic development, Government of Uttar Pradesh has been investing considerable proportion of plan expenditure varying from 41 percent in the 1st plan to 60 percent in 6th plan and again declining to 45 percent in the 9th plan on these three sectors (Table 1). However, there have been structural changes in the investment pattern over the years. The share of irrigation and power sector has been gradually declining over the years on the one hand and share of transport sector is being enhanced on the other hand. Looking into the financial allocation to all the three sectors, the share has been declining continuously from 60 percent in 6th plan to 45 percent in 9th plan and again it is declining gradually over the first three years of the 10th plan.

Table 1: Plan expenditure in Uttar Pradesh in Infrastructure (Rs. Lakhs)

Plans	Irrigation	Power	Transport	Total
1 st	3290 (21)	2332 (15)	686 (4)	6308 (41)
2 nd	2543 (11)	5675 (24)	1537 (7)	9755 (42)
3 rd	6167 (11)	15702 (28)	2814 (5)	24683 (44)
3 annual	13095 (29)	17536 (39)	1189 (3)	31820 (70)
4 th	18447 (16)	44680 (38)	7796 (7)	70923 (61)
5 th	57519 (20)	110771 (38)	24666 (8)	192956 (66)
Annual	22672 (27)	25047(30)	8568 (10)	56287 (67)
6 th	145771 (22)	180028 (27)	67790 (10)	393589 (60)
7 th	191263 (16)	301270 (25)	127818 (11)	620351 (52)
2 annual	77237 (11)	261393 (38)	59159 (9)	397789 (58)
8 th	241235(11)	573043 (26)	249702 (12)	1063980 (49)
9 th	383212 (13.16)	517644 (18)	420947 (14.45)	1321803 (45)
10 th (2002-03)	80071 (12.14)	92763 (14.07)	105836 (16.05)	278670 (42.26)
2003-04	77610 (12.69)	103797 (16.67)	93210 (15.22)	274617 (44.84)
2004-05	106770 (11.05)	83578 (8.65)	133193 (13.79)	323541 (33.49)

Source: 10th Five Year Plan, Government of Uttar Pradesh.

Note: Values in the parenthesis is the percent of the total plan expenditure in the different five year and annual plans.

Part I

Irrigation

Introduction

Since the time immemorial, irrigation has been considered as a vital input for agriculture, which contributes not only directly to meet the evapo-transpiration needs of the plants but also indirectly by recharging the ground water. However, it acts as a stabilizing factor against the uncertainty of rainfall, thus enabling the agricultural sector to grow the cropping intensity, productivity and diversifying the agriculture from low valued crops to high valued crops along with enabling to increase the demand for HYVs, fertilizer. Hence, irrigation is considered as a catalyst for providing food security in the growing populated economy like India. On the other hand, due to growth of population, urbanization and industrialization, the per capita consumption of water use has not only declined but also the quality of ground and surface water has deteriorated over time in the Country (Government of India, 200-2007). The net sown area has remained stagnant since many years in the country. Given the constraint of land availability, state must necessarily concentrate on increasing area under irrigation and significantly improving the productivity of land and water to meet the food, fuel, fibre and timber needs of the population. Thus enlarging potential/utilization of irrigation through various sources can decline regional disparity, poverty and unemployment on the one hand, and on the other hand, creating efficient strategy for integrated development of water resources and its management for reducing the problems associated with economic, social and administrative issues for sustained potential in the irrigation sector.

The problems associated at the national level are not far away from those of at the state level. The tenth five year plan targets to achieve 7.6 percent of annual growth in agricultural sector in order to make significant impact on overall growth and poverty reduction. However, irrigation is considered as a critical input, which helps in achieving the targeted growth rate in agriculture. As the net sown area remains almost constant at 168 lakh hectares in the state, further expansion of irrigation including additional irrigation through modernization/ renovation can make agriculture vibrant to achieve food security mainly through multiple cropping and higher productivity of crops.

The net irrigated area has been increasing from 62.55 lakhs hectares in 1966-67 to 94.53 lakh hectares in 1980-81 and again increased to 128.28 lakhs hectares in 2001-02. However, the net irrigated was almost constant during 1998-99 to 2000-01 and again increased to 128.28 lakh hectares in 2001-02. The proportion of net irrigated area to net cropped area has increased from 36.12 percent in 1966-67 to 54.89 percent in 1980-81, again increased to 73.70 percent in 2000-01 and 76.30 percent in 2001-02. However, the net irrigated area by private sources such as private tubewell/pump sets constitute nearly 87.09 lakh hectares, which is 68 percent of the net irrigated area, whereas major and medium sources through canal irrigation possesses at 27.19 lakh hectares, which is nearly 21 percent of the net irrigated area. It is observed that there has been disproportionate growth of irrigation by sources and disproportionate distribution public investment in various five year plans among sources. This needs a comprehensive analysis to assess the source wise distribution of irrigation and pattern of irrigation in the state.

Analysis of Potential Created and it's Utilization

I. Public Investment in Irrigation

The proportion of actual expenditure on irrigation and flood control out of total planned expenditure during 9th and first three years of 10th plan was almost remained constant. However, the expenditure on irrigation and flood control was 12.64 percent of the total planned expenditure in 9th plan and remained restricted to 12 percent during the first two years of the 10th plan. On the other hand, total public investment in absolute terms in irrigation has increased continuously during 1997-98 to 2001-02 except in the year 1998-99 and the same trend has been repeated in the 10th plan in the state. However, public investment on medium and major irrigation takes a lion share up to 83.81 percent during the 9th plan and it is agreed to rise up to 84.45 percent in the 10th plan. The public investment on minor irrigation has declined drastically from 14.52 percent in 1998-99 to 1.37 percent in 1999-2000 and finally kept at 8.23 percent of the total by the end of 9th plan and it is proposed to decline to 7 percent in the 10th plan (Table 1). The public investment on command area development and flood control constitute nearly 8 percent in the 9th plan and it is proposed to rise up to 8.5 percent in the 10th plan.

Table 1: Expenditure on Various types of Irrigation during 9th and 10th five year plan in UP (Rs. Lakhs)

Year/Sources	Major & Medium Irrigation	Minor Irrigation	Command Area Development	Flood Control	Total
1997-98	47387	8115.52	3057.8	1140	59700.32
	(79.37)	(13.59)	(5.12)	(1.91)	(100.00)
1998-99	44840	8473.62	2514.63	2512.61	58340.86
	(76.86)	(14.52)	(4.31)	(4.31)	(100.00)
1999-2000	63416	994.49	4249.53	4087.39	72747.41
	(87.17)	(1.37)	(5.84)	(5.62)	(100.00)
2000-01	74198	5930.11	2876.96	3111.35	86116.42
	(86.16)	(6.89)	(3.34)	(3.61)	(100.00)
2001-02	71617	6102.26	2831.12	2229.94	82780.32
	(86.51)	(7.37)	(3.42)	(2.69)	(100.00)
Ninth Plan (current prices)	301458	29616	15530.04	13081.29	359685.33
	(83.81)	(8.23)	(4.32)	(3.64)	(100.00)
Ninth Plan (at 1996-97 prices)	246936.81	24912.43	12914.79	10715.73	295479.76
	(83.57)	(8.43)	(4.37)	(3.63)	(100.00)
2002-03	82481	7026	3000	3853	96360
	(85.60)	(7.29)	(3.11)	(4.00)	(100.00)
2003-04 (Anticipated)	92032	8541	4000	5718	110295
	(83.44)	(7.74)	(3.63)	(5.18)	(100.00)
2004-05 (proposed)	87750	10425	4000	4594.54	106769.54
	(82.19)	(9.76)	(3.75)	(4.30)	(100.00)

Source: Annual Plan Document 2004-05, Vol. II, Government of UP.

Note: Values in the Parenthesis are percent of the total

In a usual practice, total irrigated area has been divided into mainly three segments, viz., minor, medium and major irrigation. The other way of classifying the irrigated area is on source wise, viz., ground water and surface irrigation. The surface irrigation is classified into major and medium irrigated area. However, the investment made for the development of irrigation sector comes from private (individuals, group of individuals) and state and central governments (public sector). The groundwater irrigation constitutes nearly 69 percent of the total utilised area during the 9th plan in the state, whereas surface irrigated area from all sources (minor, medium and major) constitutes nearly 31 percent of the total utilised area (Table 2). Similarly, the ground water utilised irrigation is targeted to increase up to 71 percent of the total irrigated area. It is clearly observed that major share of public investment is made on major and medium

irrigation, which ultimately irrigate only 31 percent of the total irrigated area. Hence, there may be rethinking of diversification of public investment in favour of development of minor irrigation in the non-canal and under developed regions in the state.

Table 2: Source wise Irrigation during 9th and 10th Five year plan in UP ('000 Hectares)

Year	Ground Water	Surface Irrigation	Major and Medium Irrigation	Total
1997-98	14017.8 (68.35)	457.4 (2.23)	6034 (29.42)	20509.20 (100.00)
1998-99	14373.68 (68.61)	466.4 (2.23)	6109 (29.16)	20949.08 (100.00)
1999-2000	14520.6 (68.57)	471.4 (2.23)	6184 (29.20)	21176.00 (100.00)
2000-01	14820.84 (68.90)	475.62 (2.21)	6215 (28.89)	21511.46 (100.00)
2001-02	15215.88 (69.40)	480.94 (2.19)	6229 (28.41)	21925.82 (100.00)
Ninth plan	15215.88 (69.40)	480.94 (2.19)	6229 (28.01)	21925.82 (100.00)
Tenth plan (2002-07)	18808.38 (70.87)	501.14 (1.89)	7229 (27.24)	26538.52 (100.00)
(2002-03)	15626.38 (69.75)	487.44 (2.18)	6290.66 (28.08)	22404.48 (100.00)
(2003-04) Anticipated	15913.38 (69.67)	494.28 (2.16)	6434.66 (28.17)	22842.32 (100.00)
(2004-05) Proposed	16230.65 (69.67)	501.07 (2.16)	6564.66 (28.18)	23296.38 (100.00)

Source: Annual Plan Document, 2003-04, Vol. II, Government of UP.

The irrigated area under various sources shows an increasing trend over the years. However, both the potential and utilization of potential has increased continuously during the 9th plan as well as first three years in the 10th plan (Table 3). The total potential creation has increased from 28580.18 thousand hectares in 1997-98 to 30593.88 thousand hectares. Similarly, the utilization of potential also increased from 20509.20 thousand hectares in 1997-98 to 21925.82 thousand hectares in 2001-02. However, the utilization of potential constitutes nearly 72 percent of the potential creation in the 9th plan and first years of the 10th plan. In order to achieve 75 percent of the potential creation during the

10th plan, atleast 77 percent of the potential has to be created during the next three years. The lag of about 8707 thousand hectares of potential creation is a matter of serious concern.

Table 3: Comparison of Potential Creation and Utilization of Irrigation in Uttar Pradesh ('000 Hectares)

Year	Potential Creation	Utilization of Potential	Utilization as percent to potential
1997-98	28580.18	20509.2	71.76
1998-99	29065.18	20949.08	72.08
1999-2000	29331.98	21176	72.19
2000-01	30087.08	21545.46	71.61
2001-02	30606.88	21959.82	71.75
Ninth plan	30606.88	21959.82	71.75
Tenth plan (2002-07) Target	35224.44	26538.52	75.34
(2002-03)	31063.73	22404.48	72.12
(2003-04) Anticipated	31431.38	22842.32	72.67
(2004-05) Proposed	31915.96	23296.38	72.99

Source: Annual Plan Document, 2003-04, Vol. II, Government of UP.

The lag of nearly nine lakh hectares between potential creation and utilization creates serious concern in the mind of the policy makers, planners, researchers and other think tanks. However, it may be due to various reasons such as non-construction of on-farm development (OFD) works below the outlet, change in cropping pattern to more water intensive crops, loss in live storage due to sedimentation, low water use efficiency due to disrepair of the system and lack of reliable statistics on creation and utilization etc. (Government of India, 2002-07). However, the question on lag between potential and utilization is not only important but also the trend on gross irrigated area is becoming a big concern in recent years. The contrast picture is revealed between two data sources published under State Planning Institute (Annual Plan Documents) and Board of Revenues (Statistical Dairy) in recent years in Uttar Pradesh. The plan documents clearly pointing out an increasing trend of utilised canal irrigated area during the 9th and first

three years of 10th plan, whereas the Board of revenue data reveals a declining trend of canal irrigated area in recent years in the state.

It is recalled that the decline of command area may be due to increase in sedimentation of the reservoirs causes more evaporation and less water supply leading to decline of water use at tail end areas of the canals. A separate specific study can be conducted to assess the reservoir capacity, sedimentation level, volume of water supply and effect on command areas. However, it is apprehended that the poor quality of maintenance of canal irrigation causes leakage in upper part of the canal, over use of water in the same areas causes no water to tail end area. This has been happening due to declining of the proportion of budget allocation on command area development (CAD). Moreover, major proportion of expenditure under CAD is spent on direction and administration (D &A) and is being declined on maintenance and repair (M &R). Ideally, to sustain a certain prescribed efficiency level, separate funds should be earmarked for each of the components of the total working expenses (Gulati, 2005). It has been observed that at all India level, the share of direction and administration (D & A) has reached between 60 to 70 percent in 90's and the share of maintenance and repair in the total O & M costs had dropped to mere 27 percent in the same period (Gulati, 2005). Unless, the physical repairing of this infrastructure is properly done, it would be impossible to provide better and more irrigation facility. Hence, there is need for reallocation of budget to CAD and especially more on maintenance and repair (M &R of the canal system.

II. Thin Spread of Investment

It may aptly summarized that "the biggest single malady in the major and medium irrigation sector right from first plan has been the continued tendency to start more and more new projects resulting in wanton of proliferation of projects, thin spreading of resources and consequent time and cost overruns" Government of India, 2002-07). In the state, 8 projects were started in the 5th five year plan and not yet completed to utilize its full potential. Similarly, some were started in late 70's and 80's could not completed till yet (Government of India, 2002-07). The benefit yet to realize is also quite large for these

projects. Moreover, this problem resulted in escalation of costs in many folds. For example, the original costs of Saryu Nahar in 5th plan was Rs.78.68 crores and the latest costs was increased up to Rs.1256 crores by the end of 9th plan. Hence, it is essential to complete the on going projects in order to avoid the problem of costs escalation and other related problems.

III. Land Degradation due to Irrigation

Land degradation due to waterlogging and salinity/alkalinity becomes a serious threat to the development of agriculture in the state. However, irrigation induced waterlogging and salinity/alkalinity causes declines of crop productivity and makes the land barrens also. The state planning commission has estimated that nearly 74.48 lakh hectares of land, which is 30.77 percent of the reporting areas, are degraded land. Moreover, Government of India by using remote sensing technique has estimated that 38.84 lakh hectares, which is 13.19 percent of the geographical area of the state, are degraded. However, 10.80 lakh hectares of land are affected by salinity and waterlogging, which is nearly 4 percent of the reporting area as estimated by NRSA. Similarly, state planning commission has estimated nearly 14.93 lakh hectares of salinity and waterlogging, which is nearly 6 percent of the reporting area are spreaded over the state. Though the extent of salinity and waterlogging differs by the organizations, yet the seriousness of the problem is well agreed by all of the organizations

Uttar Pradesh Government has been undertaking serious measures for reclaiming degraded land even before the plan era. However, reclamation of degraded land has a long history in the state. In 1884, 1200 hectares of ravine lands were forested by the then collector of Etawah (Dhar, T.N., 2004). However, in 1870 Reh committee suggested deepening of canals for reducing saline efflorescence area due to over-irrigation in the districts of western Uttar Pradesh. The use of gypsum arrived later towards the end of 19th century. In the post independence period, saline reclamation started in 1949 in the districts of Central and Western region of the state. In the last decade, many important schemes are being undertaken for the reclamation of saline land in the state. Most importantly, Uttar Pradesh Bhumi Sudhar Nigam started reclaiming saline land with the support from World Bank in 1993. Moreover, the second phase of the same project was

extended in 1999 to reclaim barren alkaline and other Usar land in the severe affected districts of the state. It is estimated that nearly 1.60 lakh hectares of land have been reclaimed by the end of 2002-03 (Government of Uttar Pradesh, 2003). However, it is estimated that out of 12 lakh hectares of Usar land (Saline, Alkaline and saline-alkaline), only 1.6 lakh hectares of land are reclaimed. The task is very much significant in the future years to reclaim the degraded land in the state where pressure on land is increasing. We can not forget the importance of food security in a growing populated state, unless we check the degradation of the soil.

Table 4: Land Degradation in Uttar Pradesh (in Lakh hectares)

Types of degradation/Year	NRSA (2000-01)	GOUP (2002)
Soil Erosion	-----	36.82
Salt Affected area	5.81	7.63
Waterlogged Area	4.98	7.30
Marshy/Swampy Area	0	-----
Gullied /Ravines Area	2.81	9.23
Land With or Without Scrubs	5.5	-----
Sandy Area	0.47	----
Riverine land	0	13.5
Barren/Stony/Sheet Rock Area	1.18	-----
Shifting Cult	0	-----
Grass/Grazing Lands	0.45	-----
Degraded Plantation Crops	0.05	-----
Degraded Notified Forest land	3.4	-----
Salt/Pans/Snow Covered	13.17	-----
Steep sloping area	0.99	-----
Mining Area	0.03	---
Total Wasteland Area	38.84	74.48
Total Geographical / Reporting area	294.41	242.02
Percent of the Reporting Area	13.19	30.77

Source: NRSA, 2000-01 and Government of Uttar Pradesh, 2002-03

Note: Total geographical area differs from NRSA estimation to GOUP estimation; NRSA has estimated the land degradation before the division of Uttaranchal, whereas GOUP estimation is based on after the division.

IV. Wastage and Inefficiency in Water Use

The water use efficiency in most irrigation systems is low in the range of 30 percent to 40 percent as against an ideal value of 60 percent (Government of India, 2002-07). Low water use efficiency leads to lower productivity, inequity in supplies to tail-enders and waterlogging and salinity. Most of irrigation systems have become inefficient due to

silting of canal system, weed growth and breakage of regulatory structures leading to over use of water. This enormous wastage of water during conveyance and on the field arises basically on account of the absence of incentives to conserve water. In the absence of financial accountability and operational autonomy, project authorities do not have any incentive to conserve water through measures for lining of canal or for supplying water on a volumetric basis (Rao, 2005). Similarly, since the water rates are low and unrelated to the quantity of water used, the farmers have no incentive to save water. The low water rates also encourage misuse of water. Not only is water use excessive in the command areas of surface irrigation systems, but crop yields are only about half those achieved under private irrigation from tubewells (Dhawan, 1985). This is basically attributable to the uncontrolled nature of water supplies in the surface irrigation systems, which could be remedied to a large extent if there are incentives at the project level for modernizing the systems and spreading water to larger areas.

V. Decline in water Table

Groundwater plays a vital role for the integrated sustainable development of an area. On the one hand, its judicious and balance use can optimize and sustain agricultural growth, on the other hand, excessive or under utilization of groundwater may cause adverse impacts. In the areas of excessive groundwater pumpage causes lowering of water level, which further causes failure of the water structures, land subsidence and eventually make the water polluted. In the areas of excess recharge of groundwater over poor pumpage may cause flooding, surface and subsurface waterlogging, which further causes water pollution and health hazard (Rai, 2004). Deforestation and loss of vegetative cover have led to the speedy run-off and insufficient percolation of rain water. As a consequence, not only irrigation has suffered but even water is becoming scarce (Rao, 2005). In the state, the groundwater level has been declining due to heavy use of private and public hand pump sets and tubewells for domestic, agricultural, industrial and other uses in both urban and rural areas. However, it has been observed that the groundwater level has been declining up to strata-II (80-90 feet) in many urban areas of the state and it has crossed the strata-I (40-50 feet) in rural areas. Unless, there have been enough mitigating efforts, the problem of groundwater depletion is not far away to cross strata-III. The depletion of

groundwater further enhances the economic and environmental problems to the society. The cost of pumping per hour through groundwater by electric/ diesel pump sets increases further as groundwater level go down, which eventually increase the cost of agriculture. The depletion of groundwater causes a serious threat on environment, as it affects in different ways. Firstly, declining of water table has major implications for the base flow of the stream. It affects the down stream users' as they loose access to water at critical times and pollution both surface and groundwater is likely to increase. It affects many shallow small streams as they became dry after rainy season and even big rivers are become dry. This ultimately affects the availability of drinking water. Secondly, as the water content declines in the soil, soil becomes more and more dusty and ultimately become prone to wind erosion. Thirdly, as the water content declines, it affects the trees, grass and other animal for useful needs. Fourthly, over extraction of groundwater affects the water quality directly. Sometimes, pollution poses a serious threat to all groundwater aquifers in the state. With the expansion of irrigated area and increased use of fertilisers and pesticides groundwater gets polluted ultimately causes health hazard.

The state consists of four major hydrological regions, viz., Eastern, Central, Western and Bundelkhand. In eastern and north eastern region, two types of problems are mainly faced. Firstly, there is extensive waterlogging problems and poor groundwater pumpage in the major canal command areas. The exploitation of groundwater is increasing at a faster rate and causing speed decline of water table due to limited and rare water supply in the non-command and tail end areas. In non-command areas of central region, groundwater pumpage is high and increasing at a faster rate year to year and causing lowering of the water table. On the other hand, it causes scarcity of irrigation and drinking water facility. Hence, this area needs to extensive rainwater harvesting and control of groundwater development. There are extensive critical and semi-critical waterlogged areas, extensive wetlands and marshy lands in the command area of central region. The extent and intensity of degraded lands, such as sodic, fallow lands are very high varying from 10 to 30 percent in some problem villages with average intensity of 11 to 12 percent (Rai, 2004). There exist critical and semi-critical waterlogged areas along with surface waterlogging in the command areas of western region. The reclaimed sodic

lands are being converted to fallow and sodic lands. In the non-command areas of this region, the intensity of shallow and deep tube wells is high. The groundwater pumpage is very high and groundwater recharge is low, hence there is scarcity of irrigation and drinking water. The water is being declining per annum from 15 to 75 cms and the water level has gone down beyond critical and semi critical level deeper than 10-15 mbgl in some areas. Bundelkhand region are covered with plateau terrains, dominant with rocky formations and limited potential aquifers. Because of steep surface gradient, rocky formations and rugged physiographic, groundwater recharge is limited and groundwater pumpage is increasing year to year at faster rate and further minimizing groundwater resource.

There has been steady decline in water table in recent period in several parts of the state, on account of over exploitation of ground water and insufficient recharge from rain water. The level of groundwater can be examined by three sets of data, such as volumetric data on groundwater, irrigated area statistics, data on water table to analyse the major aspect of groundwater depletion or the decline of water table (Dhawan, 1995). In a volumetric approach, the statistics of groundwater recharge and groundwater utilization are compared with each other. Groundwater depletion is signified by groundwater use for irrigation purpose exceeding groundwater recharge in a long run. The essential of the area approach are similar to those of the volumetric approach, the difference being use of utilization of groundwater irrigation potential instead of groundwater recharge and resource to be created groundwater potential in lieu of groundwater draft. As the information on water table is concerned, depth of water table is measured in selected observation of wells. The Central Groundwater Board and State Groundwater Department measures the water table on regular basis through selected depth of wells. The case of over exploitation arises, when the pre-monsoon and post-monsoon depth to water table in a well increases permanently.

The region wise comparison of groundwater recharge and its level of exploitation over a period for irrigation as well as other uses are depicted (Table 9). There is widespread disparity in the use of groundwater exploitation over regions/ districts as well

as major river basins in the state. The level exploitation of groundwater in the western region is always highest followed by central and eastern region. Some of the districts namely Buduan and Bagpat exploit nearly 90 percent and 82 percent of the total available groundwater in western region respectively. Similarly, Laxmipur kheri and Sitapur utilize 81 and 73 percent whereas Barabanki utilizes only 24 percent of the total available groundwater in the central region respectively. The districts such as Gonda and Ambedkar Nagar utilizes 68 and 63 percent, on the other hand Kushinagar utilizes only 25 percent of the total available groundwater respectively in the eastern region. However, the level of exploitation is being lowest in Bundelkhand region. Lalitpur district utilize highest up to 54 percent and Jalaun utilizes only 19 percent of the available groundwater respectively. The level groundwater exploitation is highest in the western region as it is scanty rainfall area and having less canal irrigated area. Moreover, the groundwater recharge and its level of exploitation during 1987-2000 in all the regions as well as the state level have shown an increasing trend. However, the volumetric data on groundwater recharge and its level of exploitation over a period of time in the state, does not show the actual level of groundwater depletion and its intensity of threatening to the animal beings.

It has been observed that out of 819 blocks in the state, declining trend of groundwater is being observed in 559 blocks. Nearly 19 blocks are identified, where the water level declined more than 15 meters. In the latest assessment, 22 blocks are under critical category and 53 blocks are in semi critical category (Jurel, 2003). However, this is not the end of the story. The reliability of shallow tube wells as sources of drinking water has been reducing due to groundwater extraction from agriculture and fluctuations in water table. In fact due to declining of water level, most of the drinking wells have dried up in the plains of Uttar Pradesh affecting the availability of drinking water in rural areas. It is projected that over 40 lakh hectares of agricultural land affect badly in 260 blocks of the state. These areas have been already declared problem zone in western and eastern regions of the state (The Times of India, 2004). Moreover, central Groundwater Board (CGWB) has assessed that nearly 19 blocks are over exploitative (the stage of groundwater exploitation has exceeded the annual replenishable resources) and 21 blocks

are reported as dark (stage of groundwater exploitation has exceeded 85 percent of the annual replenishable resources) in the state (Government of India, 2002-07).

Table 7: Region wise level of groundwater recharge and use during 1987-2000 (in '000 ham)

Year	Region	Central	Eastern	Bundelkhand	Western	UP
1987	Net Groundwater earmarked for irrigation ('000ham)	1428.96	2362.39	548.57	2674.61	7014.53
	Groundwater used for Irrigation ('000ham)	293.26	697.27	94.68	1018.80	2104.01
	Percent groundwater used for irrigation	20.52	29.52	17.26	38.09	30.00
1990	Net Groundwater earmarked for irrigation ('000ham)	1423.96	2456.12	498.11	2516.72	6894.91
	Groundwater used for Irrigation ('000ham)	482.90	882.60	100.70	1144.41	2610.61
	Percent groundwater used for irrigation	33.91	35.93	20.22	45.47	37.86
1995	Net Groundwater earmarked for irrigation ('000ham)	1422.79	2496.88	502.22	2258.14	6680.03
	Groundwater used for Irrigation ('000ham)	561.08	905.09	95.07	1038.46	2599.70
	Percent groundwater used for irrigation	39.44	36.25	18.93	45.99	38.92
2000	Net Groundwater earmarked for irrigation ('000ham)	1892.89	2698.54	664.33	2774.97	8030.74
	Groundwater used for Irrigation ('000ham)	1053.44	1324.24	174.04	1843.35	4395.08
	Percent groundwater used for irrigation	55.65	49.07	26.20	66.43	54.73

Source: Groundwater Department, Government of Uttar Pradesh

The level of groundwater use can be assessed through the source wise irrigation data over a period of time in the state. There has been tremendous change in the composition of irrigation during 1970-71 to 2000-01 in the state. The share of canal and tank irrigation has been declined from 41 percent in 1970-71 to nearly 25 percent of net irrigated area in 2000-01 (Table 10). However, the canal irrigated area has increased marginally from 24.23 lakh hectares in 1970-71 to 27.49 lakh hectares in 2000-01, whereas tank irrigated area has declined substantially from 3.6 lakh hectares in 1970-71 to 0.67 lakh hectares in 2000-01. On the other hand, irrigated area under tubewell has

increased dramatically from 19.65 lakh hectares in 1970-71 to 89.42 lakh hectares in 2000-01. In other way, tubewell irrigated area has been increasing continuously from 28.70 percent in 1970-71 to 72.11 percent in 2000-01 of the net irrigated area. However, the share of both tubewell and well has gone up to nearly 76 percent of the net irrigated area in 2000-01. This may be attributed that the proportional increase of private investment is higher than that of public sector investment in the irrigation sector. This can be undoubtedly claimed that the magnitude of net irrigated area as well as the proportion of net irrigated area to net cropped area has increased over the period under study. However, the proportion of groundwater irrigated area has increased substantially up to 76 percent in 2000-01. The increase in area under tubewell and well irrigation coupled with the decline in the proportion of canal and tank irrigation invariably results in over exploitation of groundwater, which further leads to environmental problems such as desertification.

Table 8: Changes in Area under Irrigation by Sources in Uttar Pradesh (in lakh hectares)

Year	Canal	Tube-Well	Wells	Tanks	Others	Net Irrigated Area	Net Sown area
1970-71	24.23 (35.39)	19.65 (28.70)	18.26 (26.67)	3.60 (5.26)	2.73 (3.99)	68.47 (39.57)	173.05
1980-81	28.04 (34.41)	48.28 (59.25)	0.85 (1.04)	1.36 (1.67)	2.96 (3.63)	81.48 (47.94)	169.97
1990-91	31.93 (30.29)	65.63 (62.26)	3.70 (3.51)	1.04 (0.99)	3.12 (2.96)	105.42 (61.18)	172.32
1995-96	30.90 (26.30)	78.26 (66.62)	3.90 (3.32)	0.58 (0.49)	3.83 (3.26)	117.47 (71.18)	165.03
1996-97	30.75 (25.63)	79.92 (66.60)	4.64 (3.87)	0.99 (0.83)	3.70 (3.08)	120.00 (72.25)	166.10
1997-98	30.60 (25.47)	79.80 (66.43)	6.03 (5.02)	0.84 (0.70)	2.85 (2.37)	120.12 (71.98)	166.88
1998-99	31.08 (24.47)	87.97 (69.32)	4.58 (3.61)	0.95 (0.75)	2.33 (1.84)	126.91 (75.85)	167.32
1999-2000	29.88 (23.96)	87.00 (69.77)	4.82 (3.87)	0.82 (0.66)	2.17 (1.74)	124.70 (74.22)	168.01
2000-01	27.49 (22.17)	89.42 (72.11)	4.36 (3.52)	0.67 (0.54)	2.06 (1.66)	124.00 (73.80)	168.01

Source: Various Volumes of Statistical Dairy, State Planning Institute, Government of Uttar Pradesh

Note: Values in the parenthesis are the percent of respective total.

The third and most important way of examining the over exploitation of groundwater is to use the water table data over a period in the state. Various levels are

identified such as critical, semi-critical and potential zone for waterlogging in up to 5m bgl, which are described earlier. When the water table goes down between 5m to 10m below the ground level, area is considered as safe zone. Moreover, when the water level goes down between 10m to 15m and below 15m is considered as semi-critical and critical zone respectively (Government of UP, 2003). Based on this definition, the area under different water level has been estimated in the post-monsoon, 2000 in 3,797 hydro stations covering three different regions of the state. However, it is observed nearly 12.74 lakh and 7.27 lakh hectares are under the semi-critical and critical situation, which constitutes nearly 10 percent of the reported area of the state (Table 11). Moreover, this problem is most severe in the western region, while it is least at the eastern region of the state. Nearly, 17 percent, 8 percent and 5 percent of the reporting areas are semi-critical and critical in western, central and eastern regions of the state respectively. Unless, mitigating efforts are taken seriously, the depletion of groundwater level go down further, which will affect the environment seriously in the state.

Table 9: Areas of different groundwater level in Uttar Pradesh in post-monsoon, 2000

Regions	Reported Area (in lakhs hectares)	Water level (in mbgl)						
		0-2	2-3	3-5	5-8	8-10	10-15	>15
Western	80.77	9.81 (12.15)	12.16 (15.06)	16.31 (20.19)	20.38 (25.23)	8.77 (10.86)	7.95 (9.84)	5.39 (6.67)
Central	45.28	7.26 (16.03)	9.28 (20.49)	12.66 (27.96)	9.33 (20.60)	3.38 (7.46)	2.62 (5.78)	0.76 (1.68)
Eastern	75.02	15.70 (20.93)	25.41 (33.87)	21.20 (28.26)	7.24 (9.65)	2.17 (2.89)	2.17 (2.89)	1.12 (1.49)
UP	201.07	321.77 (16.30)	46.85 (23.80)	50.17 (24.95)	36.95 (18.38)	14.32 (7.12)	12.74 (6.34)	7.27 (3.62)

Source: Government of Uttar Pradesh, 2004

Note: Values in the parenthesis are the percent of the reported area.

VI. Development of Private Irrigation

The development of irrigation is made by the individual households, as well as by the governments (both state and central). The former is considered as private irrigation and later is known as public irrigation. However, both the private and public irrigation share broadly under groundwater, minor surface irrigation and major and medium canal irrigation. Groundwater irrigation mainly used both by private and public tubewell,

shallow tubewells, dugwell and deep tubewells. Minor surface irrigation mainly by both public and private sectors consists of the development of tank irrigation. Finally, major and medium irrigation (canal irrigation) is mainly developed by public sources through the construction of dams over the rivers. It is urgently felt the role of both private and public sector irrigation under these major sources at the national and state level. However, the trend and nature of development of both private and public sector irrigation at the state level is not far away from the national level.

Table 10: Source wise share of private and public irrigation ('000 hectares)

Year	Ground water		Surface		Major and Medium		Total	
	Private	State	Private	State	Private	state	Private	State
1997-98	12262 (89.12)	1496.8 (10.88)	175 (37.76)	288.4 (62.24)	0 (0.00)	6034 (100.00)	12437 (61.40)	7819.2 (38.60)
1998-99	11995 (88.89)	1505.68 (11.15)	175 (37.76)	288.4 (62.24)	0 (0.00)	6109 (100.00)	12170 (60.63)	7903.08 (39.37)
1999-2000	11548 (88.46)	1506.60 (11.54)	172 (37.36)	288.4 (62.54)	0 (0.00)	6184 (100.00)	11720 (59.50)	7979 (40.50)
2000-01	11307 (88.24)	1506.84 (11.76)	167 (36.65)	288.62 (63.35)	0 (0.00)	6215 (100.00)	11474 (58.89)	8010.46 (41.11)
2001-02	11142 (88.09)	1506.88 (11.91)	164 (36.21)	288.94 (63.79)	0 (0.00)	6229 (100.00)	11306 (58.49)	8024.82 (41.51)
Ninth plan	11142 (88.56)	1506.88 (11.44)	164 (37.16)	288.94 (62.84)	0 (0.00)	6229 (100.00)	11306 (59.80)	8024.82 (40.20)
Tenth plan (2002-07)	14672 (90.53)	1535.38 (9.47)	181 (38.27)	291.94 (61.73)	0 (0.00)	7229 (100.00)	14853 (62.12)	9056.32 (37.88)
(2002-03) Anticipated	11513 (88.43)	1506.88 (11.57)	165.36 (36.29)	290.25 (63.71)	0 (0.00)	6349 (100.00)	11678.36 (58.91)	8146.13 (41.09)
(2004-05) Target	11879 (88.74)	1506.88 (11.26)	166.74 (36.40)	291.29 (63.60)	0 (0.00)	6493 (100.00)	12045.74 (59.23)	8291.17 (40.77)

Source: Annual Plan Document, 2003-04, Vol. II, Government of UP.

Note: Values in the Parenthesis is the percent of the respective total

It has been observed that ground water irrigation by both private and public sector during 1997-2002 was 12648.88 thousand hectares out of private sector develop 11142 thousands which constitute nearly 88 percent of the total groundwater irrigated area in the state (Table 4). However, the share of private sector in the ground water irrigation during the first two years of the 10th five year plan remains constant in the state. Similarly, surface irrigation owned by both private and public sector during 9th five year plan is 452.94 thousand hectares out of private sector contribute 164 thousand hectares, which is

nearly 36.21 percent of the total surface irrigated area. Moreover, major and medium irrigation constitute a major share of the total irrigation comes from only public sector. In this way, when the private and public irrigation under the three broad sources are grouped, the share of private irrigation constitutes 11306 thousands, which is 58.49 percent of the total irrigated area in the 9th plan and it is anticipated that its share will increase up to 62.12 in the 10th five year plan.

In the post green revolution era, heavy use of HYV seeds, fertilizer vis-à-vis diversification of agriculture led to large scale increase in the demand for private tube wells and pump sets. As a result, during the 9th five year the construction of actual tube well was more than the targeted in the beginning of the 9th plan. In other words, the demand for private tube wells / pump sets has increased from 30.56 lakhs in 1997-98 to 32.84 lakhs in 2001-02 and ultimately 34.21 lakhs in 2003-04. Out of total private tubewells, the use of dieselized tubewell constitutes 82.04 percent of the total, whereas the use of electrified tubewell constitute only 17.96 percent by the end of 9th plan and 17.78 by the end of 2003-04. This has been occurring as a result of heavy power shortage, mechanical defects of the one hand and dieselized machines are more convenient on the other hand. This has been identified earlier in many other studies (CAG, 1982; Dhawan, 1982; Shanker, 1982; pant, 2004). In case of diesel pump sets, it is found that there has been progressive increase in their number in the state during the 9th plan and first 2 years of the 10th plan. The proportion of diesel pump sets has increased 82.04 percent of the total because of shortage of power, the use of electric pump sets has declined and there has been an increase of diesel pump sets. This has been studied very closely in many other studies (Pant, 1989; 2004).

Table 9: Construction of Different Private Pump Sets during 9th and 10th five year plan in Uttar Pradesh (in numbers)

Year	Total private pump sets/tube wells	Diesel Operated		Electrical Operated	
		Total	Percent of the total	Total	Percent of the total
1997-98	3055542	2499008	81.79	556534	18.21
1998-99	3122224	2557819	81.92	564405	18.08
1999-2000	3150249	2582916	81.99	567333	18.01
2000-01	3214560	2644673	82.27	569887	17.73
2001-02	3284044	2700173	82.22	583871	17.78
Ninth plan	15826619	12984589	82.04	2842030	17.96
Tenth plan (Target)	3866748	3255877	84.20	610871	15.80
(2002-03)	3356166	2767229	82.45	588937	17.55
(2003-04) Anticipated	3409645	2818500	82.66	591145	17.34
(2004-05) Proposed	3425163	2828742	82.59	596421	17.41

Source: Annual Plan Document, 2004-05, Vol. II, Government of UP.

VII. Water Rates

It has been observed that the proportion of surface irrigation is being declining on the one hand and ground water irrigation has been increasing on the other hand over the years in the state. The physical condition of canal irrigation is awfully deteriorating as the maintenance is not being properly taken care of. However, the groundwater can not replace totally to the surface irrigation, as it acts a catalyst for recharging the groundwater. Hence, surface irrigation is very much important for the survival of the irrigation system. It is complimentary to each other for an efficient irrigation system. The proportion of surface irrigation is declining due to the increase in the per hectare costs of construction on the one hand and the share of irrigation is declining over various plans and remain almost constant in recent years. This may be attributed to the problem at a higher rate, when we integrate the budget allocation on CAD out of total expenditure on irrigation. However, it may be reiterated that the share of budget allocation is being declining on the other hand and the per hectare O & M costs is being increasing over the years.

Trend of O & M Costs and its distribution

The per hectare O & M costs has been increasing over the years but irrigation systems is being damaged due to lack of proper maintenance. The share of direction and administration is being increasing up to 50 percent of the O & M costs on the one hand and the share of maintenance and repairing is declining up to 30 percent over the years (Gulati, 2005). It means a substantial part of the water charges recovered goes to meet the expenditure on the staffs leaving very little for maintenance work. The diversification of fund within the O & M costs looks unfavorable for the sustainability of the irrigation systems. This needs serious concern for the irrigation sector. However, physical sustainability of a huge infrastructure like irrigation is very much dependant on judicious budget allocation. However, it may be suggested that there is a need for reallocation of budget to maintenance and repair works and reduction of expenditure on direction and administration.

Profile of costs recovery in irrigation

The recovery of costs for O & M costs through water rates is becoming totally burdensome. There were only three states that covered more than 20 percent of the working expenses from the sale of water. Orissa topped the list covering 46 percent, followed by Maharastra 35 percent and Punjab is 25 percent. Recently Punjab made the water rates totally free for the farmers (Gulati, et al., 2005). It has been observed that hardly 10 percent of the O & M costs are recovered through water rates at all India level and it has been 7.5 percent in Uttar Pradesh. Therefore, the maintenance of the sector is becoming hard game for the authority.

Revision of water rates

Canal water rates in most states are very low and are generally based on the size of the holding, depending on crop and season (Government of India, 2002-07). The water rates in many of the states are not revised since many years. For example, in Tamil Nadu water rates are not revised since 1962, Haryana 1974, West Bengal 1977 etc. The rates of canal irrigation in many other states are still the same that were fixed in mid-eighties. With

water rates remaining constant in nominal rates and declining in real terms it is no wonder that the recovery ratio is declining fast.

Reason for poor cost recovery ratio in the irrigation system

1. Pricing of water is mostly political decision.
2. The prices are fixed in nominal terms and are not revised for years.
3. The pricing structure is based on crop area irrigated and not on volume of water consumed.
4. There is hardly any link between the agency levying water charge and the agency that collects it.
5. The cost of collection is itself high due to over-staffing in the collecting authority.

The revision of water tariff on volumetric basis will become acceptable, only when restructuring is done by reducing the establishment cost, better irrigation facility (timely and enough water to tail end), better technical management, shifting of power from irrigation authority to public and enhancing the involvement of the people in the irrigation management through efficient public participatory management (PIM).

Future Policy Directions

1. The share of budget allocation towards irrigation sector out of total planned expenditure of the state has been declining from 21 percent in 1st plan to 11 percent in the 8th plan with the exception of 22 percent in the 6th plan. However, it has been marginally increased to 13.16 percent in the 9th plan and 12 and 13 percent in the first two years of the 10th pan. As it is a matter of fact, irrigation plays crucial role for stabilizing foodgrains productions, generates employment, enhances wage rate and eventually catalyses in poverty reduction in the rural areas as well as protect food security for the entire nation. Therefore, there is a need for reallocation of budget for increasing the share of irrigation out of total planned expenditure in the years to come. Moreover, the budget has been allocated un-judiciously in intra sectoral basis among the subcategories.

2. The irrigation sector is being suffering from thin spreading effect of expenditure. It has two types of implications. Firstly, it has been observed that nearly 80 percent of the total budget allocated to the irrigation sector goes to construction of major and medium irrigation, whereas budget allocation on command area development (CAD) has been declining to nearly 3 percent. Hence, it is referred here that major focus is given to construction of new projects instead of providing better maintenance facility to the existing irrigation systems. Secondly, in many cases it is observed that newly projects were started construction instead of completing the existing projects. Hence, the existing projects should be completed in order to achieve the full benefits.

3. The share of direction and administration is being increasing up to 50 percent of the O & M costs on the one hand and the share of maintenance and repairing is declining up to 30 percent over the years. It means a substantial part of the water charges recovered goes to meet the expenditure on the staffs leaving very little for maintenance work. However, it may be suggested that there is a need for reallocation of budget to maintenance and repair works and reduction of expenditure on direction and administration.

4. There has been inadequacy of public investment in irrigation sector and inefficient management of systems in operation may be attributed on the one hand, to the prevailing modes of management that are at once excessively technocratic and bureaucratic and to the politicization of cost recovery process by the political elite on the other hand. These problems are basically traceable to non-involvement of the farmers using irrigation services in the decision making as well as implementation process. Hence, there can be tremendous development of the water sector by the paradigm shift of government owned and operated system to participation of beneficiaries in construction, operation and maintenance. There is need on the part of both central and state government to promote participatory irrigation management more vigorously, as currently only 15 percent of the net irrigated area is partially covered at all India level. The sustainability and success of PIM depends on mutual accountability between the water user's association and the irrigation department, attitudinal change in the bureaucracy, autonomy for the water

user's association, multifunctional nature of the water users association and choice of appropriate model for PIM with appropriate legal and institutional framework.

5. The groundwater sources has been becoming contaminated due to human intervention such as seepage of sewer lines, disposal of chemical effluents in natural water courses, salinity ingress in coastal areas and also by nature such as arsenic, fluoride and iron. It is difficult to restore the groundwater quality once the aquifer is contaminated. In order to promote human health, there is urgent need to prevent contamination of ground water and also promote and develop cost effective techniques for purifying contaminated ground water for use in rural areas. Dilution of harmful chemicals can to a large extent be achieved by recharge. There is a need for master plan for the rainwater harvesting and recharge of the groundwater in the over exploited areas of the state. The application of the model should be compulsory for all the urban areas of the state, as the Central Groundwater Board (CGWB) has recommended.

6. Conjunctive Use of Irrigation

Conjunctive use is defined as the complementary use of surface water and its related resources with groundwater and its related resources in a manner that achieve the advantages of and avoids in the limitations of each system. There are many ways of using the conjunctive use of canal and surface irrigation.

(a) It is strongly recommended to go for a conjunctive use of surface and groundwater and use adequate quantity of groundwater from the tubewell irrigation so that the pre-monsoon ground water level should be around 10 meter below the land surface in such places where canal irrigation is in vogue.

(b) Analysis of data from rainfall, canal water usage, ground water use and the groundwater level in each canal command areas has to be done to decide the exact and most suitable conjunctive use of surface and groundwater to attain the maximum crop production. It is desirable to equip the officers of the irrigation department with computers and employ suitable staff to operate them and sue their analytical results.

(c) It is necessary that pizometers should be installed in all villages to watch the rise and fall of water table to monitor the use of canal and groundwater.

- (d) In the areas where the water table has declined below 20 meters of land surface, it is desirable that the canal irrigation might be introduced and conjunctive use of surface and groundwater should be planned in such a way that the ground water table is not allowed to rise beyond 10 meter below land surface.
- (e) The farmers who use the groundwater in canal irrigated areas where canals are not closed should be given incentives.
- (f) Each cultivator should be encouraged to have one piezometer installed in his field and observe the water and see that in sandy soil the water table should preferably be below 4 meter of land surface from the time Rabi crop is sown and in silty and clayey soils it should be below 6 meter from land surface.
- (g) The issue of low water efficiency, low water rates, higher O & M costs, dilapidation of system and participatory irrigation management are inter related and need to be tackled by a package such as conjunctive use through shallow augmentation tubewell, provision of tamper proof outlets etc.

Part II

Energy: Conventional and Non-conventional

Status of UP in Power Sector

The role of energy is considered as one of the important indicators for economic growth of an economy. It has been considered as an essential infrastructure for industrial and agricultural development of an economy. However, the per capita power consumption, percentage of electrified villages, percentage of electrified households (both rural and urban), and electricity consumption per industrial unit are some of the true indicators for measuring the economic prosperity of the state since the inception of the planning process. This is evident from the fact that the per capita consumption of power in 1998-99 was 195.58 Kwh in the state against all India averages of 359.57 Kwh (Government of Uttar Pradesh, 2002-03). The state is ranked 15th among selected major 18 states in the country in connection with per capita power consumption. This shows one of the lowest per capita power consumption in India. In addition, electrification to rural areas is also considered as an important economic variable for the development of an economy. In this regard, Uttar Pradesh stands 11th position among some of the major states, as 79 percent of the villages are electrified in Uttar Pradesh as against 86.3 percent at all India level in 1999-2000, whereas some of the states viz., Punjab, Haryana and all southern states achieved 100 percent electrification of villages during the same period (Government of Uttar Pradesh, 2002-05). Moreover, electrification of the households in the electrified villages shows the true picture of the economic strength on an economy. In this regard, Uttar Pradesh stands as one of the backward states at all India level. The latest data shows, only 20 percent of the rural households in Uttar Pradesh as against 44 percent at the all India level are electrified (Agarwal, S.K., 2005). Whereas, Gujarat, Andhra Pradesh and Madhya Pradesh account 72 percent, 60 percent and 62 percent of the households are electrified respectively. When we considered the urban household, Uttar Pradesh also lags behind the all India averages. It is estimated that nearly 80 percent of the urban households are electrified in the state as against nearly 88 percent at all India level (Agarwal, S.K., 2005). However, the seriousness of the problem accounted, when we include the industrial sector. In 1984-85 per industrial unit, the availability of electricity was around 54,024 units and it declined drastically to 16,487.64 units in 1997-

98 (Mohan, A., 2005). Considering all these factors, the Government of Uttar Pradesh in the 10th five year plan formulated major reforms in the power sector for increasing the generation of power, developing the transmission and distribution system, taking necessary steps for rural electrifications, tariff reforms, privatization in generation, transmission and distribution, renovation and modernization etc. Hence, thorough evaluation is essential by taking latest data in the state in order to provide right policy measures to enhance over all economic development in the coming years.

Targets of the 10th Plan

The power sector has been targeted to achieve both in terms of efficiency and equity. It is targeted to attain high growth of power generation on the one hand and distribute the power to the remote areas on the other hand during the plan period by developing the transmission and distribution mechanism. The major targets of the 10th five year plan with regard to energy sector in the state are as follow:

1. Generation (Supply) of Power: The level of supply and demand for power has to be increased during the plan period. The level of electricity supply/generation has to be raised from 24484.61 MU in 2001-02 to 28842 MU by the end of 10th plan. In other words, in order to improve the power capacity an ambitious target of creating 4898.33 MW additional capacities has been proposed for the 10th plan (Government of Uttar Pradesh, 2004-05).
2. Renovation and Modernization: Optimum utilization of existing generation capacity through appropriate renovation and modernization programmes.
3. Privatization: To facilitate consumers benefiting from competition, this plan encourage private sector participation in all areas, viz., generation, transmission, distribution, trading and renovation and modernization (R &M).
4. Transmission and Distribution: to augment the transmission and distribution capacity with a view to improve efficiency, reliability and quality of supply and reducing losses.
5. Tariff Reforms: To reduce the financial burden on the state electricity board, the state has formulated appropriate tariff reforms to enhance the financial strength of this sector.

6. Consumption (Demand) of Power: Consumption has to be raised by spreading the rural electrification, energisation of tubewell and increasing the demand by developing the networking system in domestic, commercial, agricultural and industrial sector.

(a) Rural Electrification: Out of total 97,942 villages in the state in 2001 census, all villages are proposed to be electrified by the end of 10th plan. Nearly 3000 remote villages are to be electrified, out of which nearly 1500 to be electrified during the plan in the state, by NEDA and UP Power Corporation. In order to electrify 100 percent villages during the 10th plan, UP Power Corporation has to take initiative to electrify nearly 42,000 un-electrify villages during this plan.

(b) This plan also targets raise consumption of power by energisation of 50,000 tubewells/pump sets by the end of the plan.

7. Energy Conservation and Demand side Management: to encourage efficient usage of electricity and facilitate energy conservation measures including demand side management.

8. Non-Conventional Energy: Increase the generation of non-conventional and renewable energy.

1. Trend of Electricity Generation (Supply side)

Uttar Pradesh power sector has been suffering heavy deficit due to supply bottlenecks than the demand. The generation of gross electricity has declined heavily during the first three years of the 10th five year plan. However, it appears that the supply of electricity was lower by 2004-05 than what was achieved in the end of 9th plan. The 10th plan targets the power generation to 28,892 MU at the terminal year. In other words, in order to improve the power capacity an ambitious target of creating 4898.33 MW additional capacities has been proposed for the 10th plan (Government of Uttar Pradesh, 2004-05). However, only 22793.14 MU has been achieved by the end of 2003-04 and 23059 MU units are proposed during 2004-05. Hence, total generation is declining instead of increasing to capture the additional targets. The proportion of the own generation to the total demand has been declining gradually from 52 percent during the 9th plan to 44.54 percent in 2003-04. Hence, the gap between demand for electricity and state's own generation has been widening over the years in the state (Table 1). This enforces the state

on depending more and more on import of electricity. The dependency on import of the electricity is increased from about 63.24 percent of the demand (average) in the 9th plan to nearly 80 percent in 2003-04 and 67.11 percent during the 2004-05. Due to the inability of the state to meet the requirement through huge import, the eventual consequence is gradual huge deficit. The state is facing a huge deficit of electricity demand due to increasing/constant demand and sluggish or declining generation of electricity. This lead to an increase of the deficit from 16.13 percent on average basis of the demand during 9th plan to 24 percent during 2002-03 and 30.3 percent during the 2004-05 in the 10th plan. This may account here that in order to achieve the targets in the next two years; the state has to generate an additional 3161.5 MU on average basis. In other words, the state has to generate 26220 MU in 2005-06 and another 3161. 5 MU in 2006-07 in addition to the 26220 MU in 2005-06.

The trend of gross electricity generation in the 9th year plan was better than the first two years of the 10th plan. However, the own generation of hydel electricity has declined nearly 32 percent over its previous year and it again declined drastically to nearly 160 percent during 2002-03. Moreover, the annual growth of thermal power generation is moderated to 2.6 percent in the 9th plan and declined to 1.08 percent in 2002-03 and -0.03 percent in 2003-04. In toto, the gross generation of electricity has declined to nearly 10 percent over the previous year and the anticipated growth rate is 1.83 percent during 2003-04 (Table 2). On the other hand, the rate of import has been increasing over the years except 2002-03, as the deficit in that year is highest. The annual growth of demand for electricity is moderate during the 9th five plan and the first two years of the 10th plan.

Table 1: Trends of Electricity Generation in the State during 9th and 10th plan (in Million Units)

Year	Electricity Generation			Import	Import as percent of Generation	Demand	Gross Generation as a proportion of Demand	Deficit	Deficit as percent of Demand
	Hydel	Thermal	Gross						
1997-98	5428	18380	23808	14514	33.94	42761	55.68	-6336	-14.82
98-99	6196	18742	24938	15914	35.77	44488	56.06	-5503	-12.37
99-2000	5297.42	18960	24257.42	39864	82.72	48192	50.33	-8328	-17.28
2000-01	5305.78	19583	24888.78	40645	82.08	49521	50.26	-8876	-17.92
2001-02	4020.61	20464	24484.61	41838	81.69	51685	47.37	-9427	-18.24
9 th plan (Average)	5250	19226	24475	30632	63.00	47329	52	-7694	-16
2002-03	1550.18	20687	22376.70	37060	75.83	48870	45.79	-11809	-24.2
2003-04 (Anticipated)	2111.90	20681	22793.14	40932	80.02	51153	44.56	-10220	-20.0
2004-05 (Proposed)	1759.00	21300	23059.00	42989	69.70	61681	37.38	-18692	-30.3
10 th Plan (target)	1739	27103	28842	41817	59.06	70803	40.74	-28986	-40.9

Source: Annual Report 2003-04, Government Uttar Pradesh

Table 2: Rate of Changes over the previous year (Growth Rate) of Electricity Generation, Import and Demand during 9th and 10th plan

Year	Electricity Generation			Import	Demand
	Hydel	Thermal	Gross		
1999-2000	-16.96	1.15	-2.81	60.08	7.69
2000-01	0.16	3.18	2.54	1.92	2.68
2001-02	-31.96	4.31	-1.65	3.74	4.19
2002-03	-159.36	1.08	-9.42	-13.93	-5.76
2003-04 (Anticipated)	26.60	-0.03	1.83	9.46	4.46
2004-05 (Proposed)	-20.06	2.91	1.15	4.78	17.07

Source: Computed from Annual Report 2004-05, Government Uttar Pradesh

2. Renovation and Modernization

In the beginning of the 7th five year plan, government of India reviewed the performance of various thermal power stations. In this review, it was observed that performance of the power stations was deteriorating owing to lack of capital maintenance and timely replacement of worn out components of plants (Government of UP, 1992-97). In order to overcome these problems, it was suggested for the renovation and modernization of the existing plants. The memorandum of understanding was signed between Ministry of Power, Government of India and Government of Uttar Pradesh to give impetus to renovation and modernization activities, through which money would be provided by the Power Finance Corporation. APDP (Accelerated Power Development Programme) was also started by the Government of India to accelerate the renovation and modernization of power station.

When we assess the financial situation under the renovation and modernization scheme, the performance looks very poor during the first three years in the 10th plan. Total outlay Rs. 2439 crores were earmarked for the five years on an average of Rs. 488 crores. However, only Rs. 159 crores was allocated for the first three years of the 10th plan (Government of Uttar Pradesh, 2004-05). Hence, it can be accounted Rs. 2280 crores would be allocated for the next two years in the plan. It may be revealed here that though the proportion of expenditure was higher i.e., Rs. 330.98 crores than the outlay earmarked for it. But, it was not more than the average annual outlays. However, the remaining Rs. 2108.02 crores could be spent on the last two years of the 10th plan in order to achieve the required activities. Based on the financial performance, the physical performance of this scheme can be evaluated. The renovation and modernization scheme faces various constraints.

1. Non-availability of timely and adequate funds due to poor financial health of SEBs/ Utilities.
2. Delay in obtaining loans from the Power Finance Corporation (PFC) due to non-fulfillment of loan conditionality.
3. Procedural delays in the formulation of schemes and finalization of orders by SEBs/utilities.

3. Privatization

The demand for power has been increasing over the years due to growing industrialization, growing domestic and commercial needs, increasing the consumption in agricultural sector. However, the rate of generation of power has been remaining constant or declining over the years causing the increase of deficit. Hence, the percent of deficit has been increasing every year in the 10th plan. The deficit has increased from 15 percent in 2002-03 to 18.43 percent in 2004-05. Therefore, in order to control the increase in the deficit of power, the entry of private sector for generation activities has been allowed in the state. The issue is not only the gap between demand and supply but also the anomalies taking place in transmission, distribution, rural electrification, tariff collection by the public sector undertakings, which causes heavy power theft, large arrears in revenue collection, large gap between cost of supply and realization, high transmission and distributional losses. This ultimately remunerates huge losses to the State Electricity Boards (SEBS). Hence, the idea of private sector participation is being evolved in the field of generation, transmission, distribution of power in the country as well as the State level in order to develop the efficiency in power supply, smoothening distribution activities and increasing overall welfare of the state. Many of the states viz., Orissa, Maharashtra, Delhi has been adopted privatization at various levels in the power sector. The success and failure stories are different for different states at different levels.

However, U.P. Energy Policy, 2003 has encouraged the private sector participation in all areas, viz., generation, transmission, distribution, trading and R & M to facilitate the consumers benefiting from competition. However, more emphasis was given on privatization of distribution business initially. The privatization activities have not been started but consultants have been engaged to carry out privatization process (Government of Uttar Pradesh, 2004-05). So far as the generation activities by the private sector are concerned, only four companies were agreed to establish the units. However, Rosa thermal, Vishnu Prayag hydro project may able to produce power by December 2006, where the state would get a share of 1594 MU by the same year (Government of Uttar Pradesh, 2004-05). It may be attributed here that the contribution by the private would be very much meager to enabling the deficiency in the power sector.

Few pertinent questions are raised in connection with the private participation in the field of generation, transmission and distribution etc. Firstly, just a mere paradigm shift of ownership from public undertakings to private ownership in the field of generation, transmission and distribution, would it be really helpful for achieving the goal without improving the paying capacity of the majority of the people those who are living below the poverty line? Or in other words, throwing the fate of majority of the people to the market driven forces without changing the structure of the society, would the power sector be freed from all the anomalies it is being suffering since the inception of the planning era? The opinions of the few think tanks are portrayed as follows. The determination of tariffs and privatization in the power sector is mostly politically determined. However, this sector is technology driven and hence the reform process should not be judged ideologically. Privatization is not the only solution and has to be done selectively in places where we can show good results to inspire confidence in this process from a larger section (Probhu, S. 2005). However, Dhaval H (2005) expressed more aggressively, let the producers and consumers of power deal directly with each other and why there is a need of intervention. However, he has opined that greater private participation is just not happening because giving chance to generate only without transmitting, distributing and deciding the tariff structures.

4. Transmission and Distribution

The T&D losses are about 28 percent but the actual losses are estimated to the range of 35 to 45 percent during the recent period at all India level. However, the losses in some states are much higher than others. Losses in Delhi are 37 percent and it is 56 percent in J&K. However, T & d losses are accounted for nearly 40 percent of the consumption (Firodia, A., 2005). Transmission and distribution losses are due to technical deficiency, extensive low voltage distribution net work in rural areas, and large number of un-metered connection in agriculture sector, long transmission and distribution lines, pilferage and theft of energy. Hence, it is necessary to identify the causes of excess losses.

Transmission activity in 10th Plan

The transmission activity of the 10th plan is very poor keeping the targets in mind. However, the performance of the first two years in the plan shows that construction of lines is achieved only 61 percent in 2002-03 and only 35 percent in 2003-04 (Table 3). Similarly, construction of new sub stations shows 86 percent in 2002-03 and only 28 percent in 2003-04.

Table 3: Targets and Achievement of Transmission Mechanism during 10th plan in Uttar Pradesh

Item	Units	2002-03			2003-04		
		Target	Achievement	Percent	Target	Achievement	Percent
A. Construction of Lines							
800 KV lines	Ckt.Km						
400 KV lines	Ckt.Km	20.99	0	0.00	40	0.00	0
220 KV lines	Ckt.Km	115	116	100.87	346	90.00	26.01
132 KV lines	Ckt.Km	177	75	42.37	596	252.00	42.28
Total		312.99	191	61.02	982	342	34.83
New Sub-Stations							
800 KV Sub-Stations	Nos	0	0		0	0.00	
400 KV Sub-Stations	Nos	0	0		1.00	0.00	0
220 Sub-stations	Nos	2	3	150.00	4.00	0.00	0
132 Sub-stations	Nos	5	3	60.00	20.00	7.00	35
Total		7	6	85.71	25	7	28

Source: Annual Report, 2004-05, Government of Uttar Pradesh

However, some of the major reforms in T & D are essential to curb the losses.

1. Illegal tapping and meter tampering can be eliminated by using under ground cables.
2. Transmission losses can be reduced by a changing over to 400 KV transmission voltages.

3. Resistive losses can be minimised by using cooper conductor in the place of aluminum cables.
4. No load losses can be curbed by using low loss core transformers and switching them off when not use.
5. Peak load power shortage power shortage can be eliminated by switching on hydroelectric power during peak hours.

5. Rationalization of Tariff

Power sector reforms were expected to focus on two thrusts. One was the establishment of rational tariff structures through independent regulatory commissions. The second was the restructuring of the State Electricity Boards separating generation from transmission and distribution to bring about greater efficiency in each area. In this regard, U.P. Electricity reforms Act 1999 has come into force in January, 2000. However, under this Act for better tariff structures and to attract private investment in power, the Government of Uttar Pradesh unbundled the erstwhile U.P. State Electricity Board (UPSEB) into three corporations, viz., UP Thermal Generation Corporation, UP Hydro Generation Corporation and UP Power Corporation (for T & D works).

The establishment of State Electricity Regulatory Commission (SERC) had been envisaged by the State Power Ministers conference in December, 1996. The Central Electricity Regulatory Commission (CERC) was expected to set tariffs for generation and transmission utilities supplying power across several states (Government of India, 2002-05). However, SERC were expected to discharge a similar function for state utilities. Accordingly, the Electricity Regulatory Commission Act was passed in July, 1998. Under this Act, U.P. Electricity Regulatory Commission (UPERC) established in September, 1998 and subsequent tariff orders were prepared from 2000-01 onwards till the current financial year 2004-05. In the last report of UPERC, the determination of tariffs within the ambit of Electricity Act 2003 and important objectives were prepared (UPERC, 2004-05).

- Rationalization of Electricity tariff
- Ensuring transparent policies regarding subsidies
- Gradually removing the element of cross subsidy

- Promoting competition in the industry
- Protecting interest of consumers and supply of electricity

The revenue realized from the sales must be sufficient at least to recover the costs of supply is the basic prerequisite for the health of any industry (Kannan, et al, 2002). Starting from this premise and comparing revenue realized with cost incurred in the power sector serve the purpose of highlighting the parlous financial position of the UPPCL, which in turn is used to justify the clamour and claim for reforms. When we assess the tariff cost ratio, the picture may be more clear. At all India level, tariff cost ratio was 83.4 percent in 1974-75, declined to 77 percent in 1980-81, again declined to 75 percent in 1990-91 and slightly improved 81 percent in 1997-98 (Kannan, et al, 2002). It means SEBs is able to collect 81 percent of the cost of electricity through tariff from all the sectors. The scenario in Uttar Pradesh is no way different from that of all India level. Total loss with and without subsidy has been increasing over the years of the UPPCL due to high cost involved and low revenue realization in the supply of power (Table 4). However, it may be attributed here that high commercial losses are due to various reasons such as heavy power theft, large arrears in revenue collection, large gap between cost of supply and realization, high transmission and distributional losses. This may be more transparent when we compare the cost of supply and realization in sector wise for better policy and perspective.

Table 4: Commercial losses of UP Power Corporation Ltd. (Rs. Crores)

Year	Revenue Realization			Cost involved in Supply					Loss with Subsidy	Loss without subsidy
	Revenue	Subsidy	Total	Power Purchase	R & M	A & G	Debt Service	Total		
2000-01	5241	280	5521	5855	186	1023	553	7617	2096	2376
2001-02	5098	902	6000	6417	206	1027	594	8244	2244	3146
2002-03	5452	826	6278	6162	200	980	216	7558	1280	2106
2003-04	6133	1029	7162	6872	210	1105	580	8767	1605	2634
2004-05	6423	1056	7479	8306	248	902	784	10240	2761	3817

Source: UPPCL, 2005

The financial health of the SEBs has been deteriorating over the years mainly due to higher level of technical and commercial losses and subsidized sale of electricity to agricultural and domestic consumers. Category wise average tariff estimation in 1997-98 shows agriculture sector contributes at the lowest, i.e. 27.7 paise/unit as against 134 paise/unit in domestic, 333 paise/unit in commercial, 285 paise/unit in industry and as against average of 180 paise/unit at all India level. Average tariff cost ratio shows agriculture is the least paid, i.e. 12 percent followed by domestic, i.e. 59 percent, industry 125 percent and commercial 146 percent (Kannan et al 2002). However, the scenario at Uttar Pradesh is much worse than that of all India level. The domestic rural and agricultural sector contributes only 27 percent of the cost of supply of electricity, where as commercial and industrial sector contribute more than the costs involved (Table 5). This also reveal that highest amount of losses are incurred in the rural domestic and agricultural sector, as small medium, large industries, urban commercial units, railways and lift irrigations show profit for this sector.

Table 5: Sector wise Loss or Gain in Uttar Pradesh during

Category	Cost of supply (Rs/Unit)	Average Tariff rate (Rs.Unit)	Energy Sales (MU)	Loss (Rs. Crores)	Gain (Rs. Crores)
Domestic (Rural)	4.05	1.1	4394	1296.23	
Single Point for bulk Loads	4.05	3.01	20	2.08	
Other Metered Domestic Consumers	4.05	2.8	6998	874.75	
Commercial (Rural)	4.05	1.41	1011	266.90	
Other Metered Commercial Consumers	4.05	4.47	1227		51.53
Public lamps	4.05	2.69	350	47.60	
Institutions	4.05	3.71	1433	48.72	
Private Tubewells	4.05	1.08	3640	1081.08	
Small and Medium Power	4.05	5.5	1389		201.41
Public Water Works	4.05	4.26	643		13.50
State Tubewells	4.05	2.4	1477	243.71	
Temporary Supply	4.05	6.32	68		15.44
Dept. Employees and Pensions	4.05	1.14	114	33.17	
Large and Heavy Power	4.05	4.51	3925		180.55
Railways	4.05	4.37	584		18.69
Lift Irrigations	4.05	4.43	291		11.06
Total	4.05	2.81	27564	3891	493

Source: UPPCL, 2005

Keeping in view of the above scenario, serious thoughts are to be given for the survival of the sector. However, recent decision in the meeting of the Power Minister to raise the tariff up to 50 percent of the cost involved need to be implemented carefully and very delicately without harming the poorest section of the society (Government of India, 2002-07). Moreover, tariff orders issued by the CERC and SERC need to be implemented fully unless stayed or set aside by court (Government of India, 2002-07). In addition, subsidies to be given only to the extent of the state government's capacity to pay. In order to make the market more competitive and vibrant, two steps are necessary to be reformed. Firstly, there should be organizational and physical separation of agriculture and rural sector. Secondly, cross subsidy in tariffs should be eliminated for urban domestic consumers and replaced with lifeline rates for low income consumers in both rural and urban areas and subsidised extension of the network to high cost areas (Sinha, S., 2005).

6. Rural Electrification

In the state, nearly 54,951 villages out of 97,135 were electrified by the end of 2001-02 and it was proposed that the rest 42,184 villages are to be electrified during the 10th five year plan. However, UP Power Corporation has to electrify rest 42,184 villages in order to achieve 100 percent electrified villages during the 10th plan. In order to electrify all the villages, Rs.316380 lakhs were required on an average of Rs.7.5 lakhs per village. However, during 10th plan, only 132700 lakhs were sanctioned to electrify 17,693 villages. Hence, on an average of 3371 villages per annum would be electrified. However, the situation took place differently. During the first two years of 10th plan shows that only 2164 villages were electrified out of 6742 villages. In order to electrify these 17,693 villages, at least 5176 villages per annum are to be electrified in the coming three years. However, 52.79 percent and 11.39 percent of the targeted villages are electrified during 2002-03 and 2003-04 respectively (Table 6). In order to achieve 100 percent electrified villages in the 10th plan, at least 13,340 villages are to be electrified in the forthcoming three years. However, the remaining 40,020 villages are still un-electrified by the end of 2003-04 in the state out of total 97,135 villages. In order to avoid the risk of completing the project and due to other problems, the Government of Uttar Pradesh has extended the targeted year of achieving 100 percent electrified villages up to

2008-09. However, this is not end of the story. Due to sever shortage of power supply in the state, UPUCCL is capable of supplying power to 12 hours per day to rural areas, 17 hours to districts head quarters and 21.5 hours per day to large cities in 2001-02 (Ahluwalia, 2005).

Similarly, the energisation of private tube wells was achieved 129.11 percent of target in the year 2002-03 and again come down to nearly 63 percent in 2003-04. In order to achieve 100 percent of the target, atleast 10,660 private tube wells per annum are to be energisized in the next three years. However, the performance of the all the three item during 2003-04 was poor compared to the earlier year. The electrification of Anusuchit village was only 37 percent of the target in 2003-04. In order to electrify all the 5742 Anusuchit villages, atleast 1389 villages are to be electrified per annum in the next three years.

Table 4: Comparison of Target and achievement of Electrification of Villages

	10th Plan (2002-07)		2002-03		Percent of target	2003-04		Percent of target
	Targets	Achiev-	Target	Achiev-		Target	Achiev-	
Electrification of villages	42184		3372	1780	52.79	3372	384	11.39
Energization of PTW	50000		10000	12911	129.11	10000	6309	63.09
Electrification of Anusuchit Basties	5742		1148	1839	160.19	1148	428	37.28

Source: Annual Report, 2004-05

7. Energy Conservation and Demand side Management:

Some of the energy conservation and demand side management are suggested for better social and economic life.

Household Sector

- Change of incandescent bulb to compact florescent lamps (CFL).
- Florescent tube lights consume 53 watts where as T5 tube lights consume only 28 watts for the same.

- Electricity boilers in bathroom with solar water heaters. We may also use solar pumps to take water to overhead tanks. If the households do so, power consumption may come down to 90 percent with the same level of output (Firodia, A., 2005).

Public Sector

- Street light should be Sodium Vapor Lamps, Switching off automatically done at the morning.
- If the locality or society harvest its rainwater and recycles its effluents for gardening, a municipality would no longer have to transport water over long distances or pump sewage out.
- Traffic lights and outdoor signals should use LED (Light Emitting Diodes), which would save 90 percent of power.

Agriculture Sector

- Drip Irrigation would save water consumption and watershed development would raise water level. Farmers would then need to use smaller pumps and then low power consumption.

Industrial Sector

- Six major industries such as Aluminum, Fertilizer, Chemicals, Steel, Petrochemical and Refineries consume nearly 65 percent of the power consumed in the industrial sector. This would induce to reduce energy consumption according to international norms of "energy cost of per unit of output".

8. Non-Conventional Energy

The demand for energy for various sectors in the economy has been increasing at a faster rate than the generations of energy from various conventional and non-conventional sources. However, in order to meet the increasing demand for energy in the economy, the development and promotion of non-conventional or alternate and renewable sources of energy has been initiated during 6th five year plan at the centre as well as at the state

level. Non-conventional Energy Development Agency (NEDA) was created in the state to launch effective drive to propagate the programmes of renewable energy since 6th five year plan. NEDA also acts as a nodal agency for implementing the Programmes initiated by Ministry of Non-conventional Energy Sources, Government of India. NEDA also takes the initiative for the involvement of private sector and peoples' participation in the field of power generation through renewable energy resources mainly in the fields of microhydel, co-generation, biomass gasifier systems and municipal solid waste during 2004-05. The performance in the field of non-conventional energy both financially and physically controlled by the state government along with the assistance of NEDA, Central government and External agencies.

Financial Performance during 10th plan

Total outlay for non-conventional energy during 10th plan was Rs.52, 950 lakhs. However, the distribution of outlay for first three years was lower compared to the average annual outlay. The actual expenditure out of the outlay was quite lower during this period (Table 5). During 2002-03, only 13 percent of the allotted outlay has been spent and it increased to nearly 32 percent during 2003-04. However, the meager spending out of total outlay is an important indicator for the slow progress of the generation of non-conventional energy in the state.

Table 5: Financial Performance of the Non-Conventional Energy during 10th plan (Rs. Lakhs)

Year	Outlay	Expenditure	Percent of the outlay
2002-07 (10 th Plan)	52950	-----	-----
2002-03	1600	204.97	12.81
2003-04	1359	432.62	31.83
2004-05	1092.14	-----	-----

Physical Performance

Solar cooker, heater and pumps

Solar cooker and solar water heaters are the two types of solar thermal energy devices, which are proposed during 10th plan. However, solar cookers are promoted without any financial assistance from central and state governments. Market oriented approach is

adopted for promoting solar cookers. Central government provides subsidy up to 50 percent on dish type solar cooker. Solar water heaters are used for domestic, commercial and industrial water heating in hostels, nursing homes, hospitals. State government provides a subsidy of Rs. 4000 per liters per day of capacity for utilization of these systems in government and semi-government organizations. Similarly, solar pumps are used for running motor in daytime, which turn a pump for pumping underground water. These pumps are also useful for irrigation facility. However, state and central governments are providing Rs.2.64 and Rs.0.9 lakh respectively as subsidy for 1200 Watts pump sets. It is proposed to install 157 pumps during 2004-05.

Bio-energy

State has also started for producing bio-energy various through ways, such as co-generation, gasifier and municipal solid waste. Power generation using co-generation is an important way for attracting sugar mills in the state. However, only 100 MW is being generated by the state till date only. Similarly, biomass is also used for thermal applications or producing power. Another way of generating power is from municipality wastes. State government has commissioned various projects for producing power from municipality wastes at Lucknow, Kanpur, Allahabad, Agra, Varanasi and other major cities.

Part III

Transport

Introduction

An efficient transport system is pre-requisite for sustained economic development. It plays crucial role in promoting national integration, increasing productivity, enhance the competitive efficiency of the economy in the world market, the development of backward regions and integrating them with the main stream economy by opening them to the trade investment. The transport system includes railways, roads, civil aviations, oceanic shipping, coastal shipping and inland water transport. However, roads and railways are considered as the important transport system in the state. However, during this planning process, the transport sector has been progressed both in quantity and in quality. With this impressive achievement, this sector also suffers from large number of deficiency and bottlenecks. The quality and productivity of the transport net work and resource base needs improvement.

The share of transport sector has been improving over the various five year plans in the state. However, the share has been enhancing from 4 percent in the 1st plan to 15 percent of the total planned expenditure in the 9th plan. The investment under transport constitutes a lion share of the state budget under the infrastructure sector. However, budget allocation comes from state, central government and other international financial agencies for construction of roads and bridges in the state. In this connection, the Government of Uttar Pradesh started construction of roads under the Diversified Agricultural Support Project (DASP) undertaken by the support of the World Bank during 1998-99 to 2003-2004. Under the DASP nearly 2740 kms of rural roads have been constructed in the project districts of Uttar Pradesh and Uttaranchal at a cost of Rs. 4718.5 million.

However, roads per one lakh population and per 100 square kms area are some of the true indicators for measuring the strength of transport sector in the state. This is evident from the fact that roads maintained per one lakh population are 57.3 kms in the

state against all India averages of 82.5 kms (Government of Uttar Pradesh, 2002-03). The state is ranked 12th among selected major 18 states in the country in connection with this indicator. Where as Punjab and Rajasthan have 204 kms and 126 kms respectively per one lakh population. In addition, roads maintained per 100 square kms area is 30.8 kms as against 23.7 kms at all India level. In this regard, Uttar Pradesh stands 6th position among some of the major states, as Punjab has 92.2 kms and Kerala has 53.5 kms (Government of Uttar Pradesh, 2002-05). Considering this background, it is necessary to have a thorough evaluation in the transport sector in the state.

10th Plan Targets

1. Meeting the higher demand of transports due to growth process of the economy.
2. Ensuring the transport growth in all regions of the state.
3. Capacity augmentation, quality and productivity improvements through technology upgradation.
4. Emphasis on higher maintenance standards.
5. Internal generation of resources through rational pricing, user charges and increasing participation of private sector.
6. Better regulatory framework in order to curb the distortions like sunk costs, presence of externalities.
7. To develop an adequate transport data base comprising traffic flows and costs, this must be systematically collected and updated.
8. There is need of better and efficient safety network for curbing the accidental fatalities.
9. Environmental pollution is a serious matter of concern due to development of heavy traffic congestion and road construction. Therefore, serious steps need to be evolved to curb the environmental pollution due to these activities.

1. Civil Aviation

The reorganization process of the civil aviation department in 2001 in Uttar Pradesh, there has been a lot of changes in the establishment of training centres, flying training institute and centralized at Kanpur city only. In the 8th plan, emphasis was given on development

of quality in pilot training. Similarly, in the 9th plan, airport at Varanasi and Lucknow was undertaken to make at International standards. With this changing scenario, the focus on security and safety upgradation of certain facilities on air trips has been emphasized during the 10th plan.

Keeping in mind these objectives in this sector, Rs. 3000 lakhs have been proposed to be spent during 2002-07. However, as against the proposed outlay, only 21.26 percent has been spent during 2002-03 for modernization activities in different airports. The expenditure has increased to 289 percent of the outlay in 2003-04 because of fast moving modernization of the ongoing projects (Table 1). Similarly, Rs.3750 lakhs has been proposed for the year 2004-05. It is observed that the expenditure during the first three years has crossed the proposed outlay during the 10th five year plan.

Table1: Comparison of Outlay and Expenditure during 10th five year plan (Rs. Lakhs)

Year	Outlay	Expenditure	Percent of the Outlay
10 th plan	3000	-----	-----
2002-03	1235.53	262.72	21.26
2003-04	250	722.82	289.13
2004-05	3750	-----	-----

Source: Annual Report, 2004-05, Government of Uttar Pradesh

2. Roads and Bridges

Construction of roads and bridges has both direct and indirect impact on the development of socio-economic condition of the people. The direct benefits constitutes savings in operating costs, time savings, increase comforts and convenience, whereas indirect benefits are to stimulate economic development and environmental improvements (Belli, Pedro et al, 2001). It helps in increasing agricultural production, increases the employment opportunities, decreases cost of travel and transportation, save the traveling time and provides a lot of indirect benefits to the rural community (Singh, et al. 2004); Kadiyali, 2003). However, the indirect impacts are much more than the direct impacts. The indirect impacts are a necessary pre-condition of commercialization and diversification of agriculture. Studies also show the rural roads have a noticeable effect

on reduction in poverty levels and improvement in education levels and health conditions (Singh, et al. 2004); Kadiyali, 2003).

Keeping the importance of roads and transport on the socio-economic development of the economy, Government of Uttar Pradesh has set some of the objectives in the 10th five year plan. Some of the important objectives such as maximizing the benefits by completing the ongoing schemes, development of rural roads, upgradation of existing road networks and bridges, construction of flyovers and subways in important cities, improvement of urban roads, improvement of traffic safety measures, computerization of P.W.D secretariat, private sector participation etc. In addition, widening of roads, improvement in riding quality and strengthening, road safety measures and providing wayside amenities to cater to the growing demand for road services.

However, keeping the objectives as an priority basis in the transport sector for construction of roads, bridges, villages roads, nearly 6008 crores has been allocated for this sector during 10th plan in the state. The proportion of actual expenditure to the allocated outlay is satisfactory during the first two years of the plan (Table 2). Most importantly, 100 percent of the allocated outlay is spent in 2002-03 and it is nearly 66 percent in 2003-04. The budget allocation is also same to the average allocation during last two years of the plan.

Table 2: Financial Targets and Achievement during the 10th plan (Rs. Crores)

Year	Outlay	Expenditure	Percent of the outlay
10th plan	6008.16	-----	-----
2002-03	921.23	921.23	100
2003-04	1225.22	806.68	65.84
2004-05	1264.97	-----	-----

Source: Annual Plan, 2004-05

The physical achievement in reconstruction/upgradation of roads such as national high ways, state high ways and major district roads are not satisfactory during the first two years of the plan. The proportion of physical achievement to the targets is 0 percent, - 76 percent and 5 percent for national and state highways, and major district roads

respectively in 2002-03 (Table 3). However, the achievement of these roads is not mentioned during 2003-04 in the state. However, the connectivity of villages through surface village's roads has been satisfactory during the two years. During 2002-03, the achievement has crossed many times more than the targets. On the other hand, the proportion of achievement to target is nearly 87 percent during 2003-04. Similarly, the connectivity of the number of villages during the two years has been better compared 9th five year plan.

Table 3: Physical Achievement of Various Roads during 10th Plan (Kms)

Item	10th plan (Targets)	2002-03			2003-04			2004-05 (target)
		Target	Achie-	Percent Of target	Target	Achie-	Percent of target	
National Highways	1000	100	0	0	100	---	---	100
State Highways	9000	100	-76	-76	100	----	---	100
Major District Roads	10000	200	10	5	200	----	---	200
Other District Roads	-20000	200	1323	661.5	200	----	---	200
Village Roads								
Surface	9236	1672	5011	299.70	2458	2127	86.53	2228
Un-surface	-4298	-710	-629	88.59	-330	-320	96.97	
Village Connectivity (Nos.)								
More than 1500	110	135	120	88.89	50	499	998.00	50
1499-1000	185	225	225	100.00	179	336	187.71	150
Less than 1000	3400	550	2575	468.18	1300	657	50.54	1202

Source: Annual Plan, 2004-05

Village Connectivity

There are 98, 248 villages of all types covered through out the state. However, all the villages are connected through all weather mettle roads in different five year plan. There are 43,437 villages connected by mettle roads up to 9th plan in the state. It shows that nearly 56 percent of the total villages are still unconnected by mettle roads. In addition, 2920 and 1492 villages are added to list of mettle roads during 200-03 and 2003-04 respectively. However, 2289 villages are proposed to be connected by mettle roads in 2004-05. With all the efforts, still 49 percent of the total villages are remained

unconnected by mettle roads by the end 2004-05. In order to cover all the villages, the state government has taken various schemes, such as Ambedkar Gram Vikas Yojna, Samagra Gram Vikas Yojna, Pandit Deen Dayal Upadhyaya Link Road Project and project by World Bank. Ambedkar Gram Vikas Yojna was launched in 2002-03 for construction of rural roads by connecting the villages predominated with scheduled caste population. Samagra Gram Vikas Yojna was started in 2004. The purpose was to connect 10 selected villages by each MLA in their respective constituencies. Similarly, Pandit Deen Dayal Upadhyaya Link Road Project was funded by NABARD and the purpose was to construct rural roads based on population of various categories. However, it was not restricted to construct only rural roads by different schemes during the plan period. The construction of railway over heads and bridges are also proposed to construct during the plan period. However, one railways overhead bridge is completed in 2002-03 and two is in progressive stage during 2003-04. Another 8 overhead bridges are proposed to be constructed during 2004-05. However, the proposal on rural rods to be completed by 2010 seems to be great task for the authority. Nearly, 49 percent of the rural villages have to be connected within five years.

Table 4: Rural Connectivity by Mettle Roads during 9th and 10th plan (in Nos.)

Year	Total Village	Mettle Roads		Remained Unconnected	Percent of total villages
		Level	Additional		
9th plan	98248	43437	-----	54811	55.79
2002-03	98248	46357	2920	51891	52.82
2003-04	98248	47849	1492	50399	51.30
2004-05	98248	50138	2289	48110	48.97

Source: Annual Report, 2004-05

Mobilization of Resources

Given the limitation of budgetary support for road sector projects, emphasis was given on generation of resources through levy of appropriate user charge and active participation of private sector in financing and maintenance activities. In this regard, no substantial progress has been achieved by the Government of Uttar Pradesh. The viability study for nearly 214 projects is under progress by the M/s RITES, New Delhi.

Employment Opportunity

The construction of rural roads not only integrate the rural economy with the main stream economy by increasing productivity of various crops, developing market facilities but also raise the employment opportunity at the rural areas during the construction of rural roads. It has been proposed to create 2024 lakh man days during the 10th five year plan by constructing rural roads in the state. During 2002-03, nearly 339 lakh man days were created and 334 lakh man days are anticipated to be created during 2003-04.

Construction of Railways over Bridges

Proposals for construction of eight overheads have been included in the railway works. Seven overhead/under bridges are completed and eight overhead/under bridges are in progressive stages.

The 10th plan has accorded more importance to resource mobilization through direct and indirect user charges to bridge the gap between requirement and availability of funds. However, higher priority to the maintenance of roads and associate the private sector in this activity. In addition to this, more emphasis was placed on the development of the existing network rather than on declaration of new roads. However, in these aspects the achievement of the state government has not been substantial.

Uttar Pradesh State Road Transport Corporation (UPSRTC)

UPSRTC came into existence on 1st June 1972 under the provisions of the Road Transport Act, 1950. It provides transport services in the state of Uttar Pradesh and adjoining states in North India. The corporation has been reconstituted on 31st October 2003 with the services in the state of Uttaranchal forming a separate state. The major task before the UPSRTC is to improve the physical and financial performance, rationalization of motor vehicle act and collection of taxes, technological upgradation, road safety, pollution control and upgradation of check posts.

Physical Performance

Various indicators such as fleet utilization percent of buses on road, vehicle production (revenue earning km per bus held per day), bus staff ratio, Staff production and fuel efficiency are some of the important variables for assessing the physical performance of the State Road Transport Corporation. However, Uttar Pradesh shows a moderate performance among various states at the all India level (Government of India, 2002-05). According to the latest estimation at all India level, fleet utilization percent of buses on road, bus staff ratio, fuel efficiency in Uttar Pradesh are considered better than that of all India level, while vehicle production, staff production are lower in the state than that of all India level.

Financial Performance

Poor Financial performance by the UPSRTC, despite an improvement in the physical parameters is a matter of concern. However, it is argued that high rate of taxation, low fare structure, concession to meet social responsibility; over staffing, increasing interest burden and unhealthy competition in the private sector have put an extra burden on the corporation making operations uneconomic. The UPSRTC has been a perennial loss making corporation except for four years, when it had nominal profit between Rs 45, 000 to Rs. 1.21 Crores (Benerjee & Chaubey, 2004). The situation is quite grim, as the losses seem to increasing every year. Yearly loss rose from Rs. 1 crore in 1972-73 to Rs.121 crores in 2001-02, though fluctuating in between. The corporation had an accumulated loss of Rs. 300 crores in 1992-93, Rs. 600 crores in 1999-2000 and Rs. 900 crores in 2002-03. In fact, the accumulated losses now far exceed the total external capital.

In order to reduce the cost recovery ratio, it is indeed true to reduce the cost drastically and increase the revenue considerable. Total revenue consists of traffic and non-traffic revenue. Major portion of the revenue consist of traffic revenue and it is more than 90 percent though the proportion of non-traffic has increased over the years. In fact, the absolute revenue collection fell in 2000-01 and 2001-02, while cost rose as usual. In case of UPSRTC, the costs are on the higher side as compared to many large corporations. Two factors such as higher compensation rates and higher bus-staff ratio

are responsible for high cost recovery ratio. The bus staff ratio is found to be 8 in the UPSRTC. Hence, there is some scope for reducing it, as it has been attained in other corporations. The cost recovery ratio, which improved for a while in early 90's and reached 0.95 has been on continuous slide down and touched the low of 0.85 in 2002-03, which is an improvement compared to past two years.

Policy Measures

In order to make financially viable to the UPSRTC, it is needed to increase revenue earnings and at the same time reducing the cost. Some of the major avenues to increase earnings and reducing the costs are as follows.

1. To increase the occupancy rate without declining the comforts and efficiency.
2. Look for avenues to earn non-traffic revenues.
3. Bus staff ratio can be reduced.
4. The corporation can do away with the over aged buses on regular basis as they consume more fuel and repair and maintenance costs is higher.

Technological Upgradation

There has been some improvement by introducing computerization in the departments, i.e., nine out of seventy one offices are computerized and there is plan for introducing a driving school in the state. However, there has been no progress in the field of road freight transport, i.e., extreme over loading of trucks, lax implementation of rules and regulations, unhelpful tax regimes and congested roads.

Road Safety

Safety on roads has become a major area of concern. In this regard, no special efforts have been taken by the government. Measures need to be taken to minimize road accidents through the introduction of road safety devices, training of drivers and instructors, awareness programme for the public and transport users, computerization of the licensing system, creation of pedestrian and cycle path, exclusive bus lane etc.

Pollution Control

The share of transport sector in total emission is increasing and is matter of concern. There is serious respiratory health problems associated with air pollution. The main causes of vehicular pollution are outdated engine technology in heavy motor vehicles, poor maintenance, large number of overage vehicles, over loading and traffic jams etc. In this regard, state government has to take serious efforts following the guidelines of the central government to control the air pollution.

Summary, Conclusions and Recommendations

Infrastructures not only enhance production and consumption directly but also create many direct and indirect externalities. Keeping in mind the linkage between infrastructure and economic development, an attempt was made to evaluate the performance of infrastructures for economic development during the 10th plan in the state of Uttar Pradesh. However, we are only concentrating the role of physical infrastructure, i.e., irrigation, power and transport for the development of the state.

The proportion of net irrigated area to net cropped area has increased from 36.12 percent in 1966-67 to 54.89 percent in 1980-81, again increased to 73.70 percent in 2000-01 and 76.30 percent in 2001-02. However, the net irrigated area by private sources such as private tubewell/pump sets constitute nearly 87.09 lakh hectares, which is 68 percent of the net irrigated area, whereas major and medium sources through canal irrigation possesses at 27.19 lakh hectares, which is nearly 21 percent of the net irrigated area. It is observed that there has been disproportionate growth of irrigation by sources and disproportionate distribution public investment in various five year plans among sources. The proportion of actual expenditure on irrigation and flood control out of total planned expenditure during 9th and first three years of 10th plan was almost remained constant. The irrigated area under various sources shows an increasing trend over the years. However, both the potential and utilization of potential has increased continuously during the 9th plan as well as first three years in the 10th plan. It may aptly summarized that the biggest single malady in the major and medium irrigation sector right from first plan has

been the continued tendency to start more and more new projects resulting in wanton of proliferation of projects, thin spreading of resources and consequent time and cost overruns. Land degradation due to waterlogging and salinity/alkalinity becomes a serious threat to the development of agriculture in the state. Similarly, state planning commission has estimated nearly 14.93 lakh hectares of salinity and waterlogging, which is nearly 6 percent of the reporting area are spreaded over the state. However, state planning commission has estimated nearly 14.93 lakh hectares of salinity and waterlogging, which is nearly 6 percent of the reporting area are spreaded over the state. The water use efficiency in most irrigation systems is low in the range of 30 percent to 40 percent as against an ideal value of 60 percent. There has been steady decline in water table in recent period in several parts of the state, on account of over exploitation of ground water and insufficient recharge from rain water. It is accounted nearly 10 percent of the reported area has been reckoning under semi and critical area in the state.

The role of energy is considered as one of the important indicators for economic growth of an economy. However, the per capita power consumption, percentage of electrified villages, percentage of electrified households (both rural and urban), and electricity consumption per industrial unit are some of the true indicators for measuring the economic prosperity of the state since the inception of the planning process. This is evident from the fact that the per capita consumption of power in 1998-99 was 195.58 Kwh in the state against all India averages of 359.57 Kwh. The state is ranked 15th among selected major 18 states in the country in connection with per capita power consumption. In addition, electrification to rural areas is also considered as an important economic variable for the development of an economy. In this regard, Uttar Pradesh stands 11th position among some of the major states, as 79 percent of the villages are electrified in Uttar Pradesh as against 86.3 percent at all India level in 1999-2000. Moreover, electrification of the households in the electrified villages shows the true picture of the economic strength on an economy. In this regard, Uttar Pradesh stands as one of the backward states at all India level. The latest data shows, only 20 percent of the rural households in Uttar Pradesh as against 44 percent at the all India level are electrified. This may be attributed due to heavy demand and supply gap, lack of proper renovation

and modernization activity, huge distribution and transmission losses and lack of sufficient stand on tariff reforms.

An efficient transport system is pre-requisite for sustained economic development. It plays crucial role in promoting national integration, increasing productivity, enhance the competitive efficiency of the economy in the world market, the development of backward regions and integrating them with the main stream economy by opening them to the trade investment. However, roads per one lakh population and per 100 square kms area are some of the true indicators for measuring the strength of transport sector in the state. This is evident from the fact that roads maintained per one lakh population are 57.3 kms in the state against all India averages of 82.5 kms. The state is ranked 12th among selected major 18 states in the country in connection with this indicator. In addition, roads maintained per 100 square kms area is 30.8 kms as against 23.7 kms at all India level. In this regard, Uttar Pradesh stands 6th position among some of the major states, as Punjab has 92.2 kms and Kerala has 53.5 kms. Moreover, poor financial performance by the UPSRTC, despite an improvement in the physical parameters is a matter of concern. The UPSRTC has been a perennial loss making corporation except for four years. The situation is quite grim, as the losses seem to increasing every year. Yearly loss rose from Rs. 1 crore in 1972-73 to Rs.121 crores in 2001-02, though fluctuating in between. The corporation had an accumulated loss of Rs. 300 crores in 1992-93, Rs. 600 crores in 1999-2000 and Rs. 900 crores in 2002-03. In fact, the accumulated losses now far exceed the total external capital. This may be attributed here that there exist huge supply and demand gap, regional disparity in the road construction, low maintenance standards, no better regulatory framework and environmental pollution in the transport sector. However, high rate of taxation, low fare structure, concession to meet social responsibility; over staffing, increasing interest burden and unhealthy competition in the private sector have put an extra burden on the corporation making the corporation uneconomic.

There is a need for reallocation of budget for increasing the share of irrigation out of total planned expenditure in the years to come. The existing projects should be

completed in order to achieve the full benefits. It may be suggested that there is a need for reallocation of budget to maintenance and repair works and reduction of expenditure on direction and administration. In order to promote human health, there is urgent need to prevent contamination of ground water and also promote and develop cost effective techniques for purifying contaminated ground water for use in rural areas. It is strongly recommended to go for a conjunctive use of surface and groundwater and use adequate quantity of groundwater from the tubewell irrigation so that the pre-monsoon ground water level should be around 10 meter below the land surface in such places where canal irrigation is in vogue.

There is a need for reducing the gap between demand and supply of power by increasing the generation, reducing transmission and distribution losses and developing better energy conservation techniques and demand side management. However, some of the suggestions are important. Illegal tapping and meter tampering can be eliminated by using under ground cables. Transmission losses can be reduced by a changing over to 400 KV transmission voltages. Resistive losses can be minimised by using cooper conductor in the place of aluminum cables. Drip Irrigation would save water consumption and watershed development would raise water level. Farmers would then need to use smaller pumps and then low power consumption. Six major industries such as Aluminum, Fertilizer, Chemicals, Steel, Petrochemical and Refineries consume nearly 65 percent of the power consume in the industrial sector. This would induce to reduce energy consumption according to international norms of "energy cost of per unit of output".

Transport sector can be effectively managed by reducing the demand and supply deficits, ensuring the transport growth in all regions of the state, capacity augmentation, quality and productivity improvements through technology upgradation, emphasis on higher maintenance standards, internal generation of resources through rational pricing, user charges and increasing participation of private sector, better regulatory framework in order to curb the distortions like sunk costs, presence of externalities, To develop an adequate transport data base comprising traffic flows and costs, this must be systematically collected and updated. However, both physical and financial viability of

the UPSRTC can be improved by increasing the occupancy rate without declining the comforts and efficiency, looking for avenues to earn non-traffic revenues, bus staff ratio can be reduced, the corporation can do away with the over aged buses on regular basis as they consume more fuel and repair and maintenance costs is higher.

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Summary of Targets and Achievements in Irrigation Sector during First Three Years of 10th plan

Items	Targets	Achievements till 2004-05	Gap	Reasons	What needs to be done
Public Investment in Irrigation	760735	Nearly 82 percent of the public investment goes to Major and medium irrigation, while the share of minor and CAD is declining	Irrational distribution of funds	Costs of construction, O % M costs has been increasing	Diversion of Funds to CAD and Minor irrigation is needed
Physical Achievement	31915.96 Lakh hectares	23296.38 Lakh hectares	Gap between potential and utilization is increasing	Costs of construction, O % M costs, low water rates, land degradation	Proper instructional and operational reforms
Thin Spreading of Investment	Start more and more projects	Completion of existing and new projects are nil.	-----	Paucity of funds and costs escalation	First and foremost target should be to complete the existing projects
Land Degradation due to Irrigation (waterlogging and Salinity)	12 lakhs hectares	1.6 lakh hectares are reclaimed.	10.40 lakh hectares	Mismanaging the irrigation system	Preventive and curative measures .
Wastage and Inefficiency in Water Use	60 percent capacity	30-40 percent	20-30 percent.	Mismanagement, breakage, low water rates	Rationalization of water rates, participatory irrigation management

					etc.
Decline in Water table	10 percent of the reporting area is under semi critical and critical area.	No serious steps are taken	-----	Lack of surface and subsurface recharge	Conjunctive use of irrigation
Private Irrigation	-----	Pvt. Sector and ground water irrigation has been increasing	Canal irrigation can not be substituted by Pvt. And ground water irrigation.	-----	Public irrigation has to support the private irrigation.
Rationalization water rates	Need for rationalize the water rate.	-----	-----	Revision of water rates is not only the solution.	PIM, participation through village Panchayat can do better works.

Summary of Targets and Achievements in Power Sector during First Three Years of 10th plan

Items	Targets	Achievements till 2004-05	Gap	Reasons	What needs to be done
Power Generations (MU)	Additio nal 4898.33 MW from 24484 MW in 2001- 02	Decline by 1425 MW	Gap has increased to 6323.33 MW	Unable to generate additional power and achieved what ever achieved in 2001-02.	Initially public investment to be increased for a better platform and gradually attract more private participation where it brings benefits by observing the experience of other states.
Renovation and Modernization (Rs Crores)	2439	330	2108	1. Non-availability of timely and adequate funds 2. Delay in obtaining loans from the Power Finance Corporation	To solve these problems.
Privatization	Four compan	It is anticipated that 1594 MU	Achievem ent by the	Rules and regulations are	Privatization is not only the

	ies have establis hed units to generat e power	may be produced by December 2006. Transmission and Distribution activities by private sector have not been started.	private sector is very meager.	not much remunerative to private sector.	solution.
Transmission and Distribution	-----	-----	Progress in not satisfactor y and losses are 40 percent of the consumpti on.	Theft, pilferage, long line, un- metered supply etc.	Underground cables, 400 KV voltage, core transformer etc.
Tariff Reforms	-----	-----	Heavy loss incurred by the UPPCL	Due to insignificant contribution by agriculture and domestic sector and heavy subsidy given	Tariff has to be increased in the domestic and agriculture sectors selectively to the consumer's ability to pay.
Rural electrifications	17, 693 villages	2164 villages	15, 529 villages	Paucity of funds and power	Enough funds to be resealed for village electrification

					and more power to be produced for more household electrifications.
Energisation of tube wells	50,000	19, 000	31, 000	Paucity of funds	Enough funds to be made for tubewells.
Energy Conservation and Demand side Management	-----	-----	Performance is very poor	Due to lack of awareness and proper propaganda of media.	Needs to be conserved fully in domestic, public places, agriculture, industry and by the UPPCL.
Non-Conventional Energy			Initial stages of its performance.	Meager investment by the Central and State Government	More attention to be given in terms of Funds and create awareness in the minds of the people.

Summary of Targets and Achievements in Transport Sector during First Three Years of 10th plan

Items	Targets	Achievements till 2004-05	Gap	Reasons	What needs to be done
Civil Aviation (Rs. Lakhs)	5235	985	4249.46	Paucity of funds	Further funds have to be released for upgradation and modernization.
Roads (National and State High Ways)	1000 kms and 9000 kms	100 kms and 100 kms	900 kms and 8900 kms	Paucity of funds	Speed up the works
Rural Roads	100 percent villages are to be connected by metal roads	Still 50 percent villages do not have metal roads by end of 2004-05.	50 percent villages	Lacks funds and initiatives	Village's roads have to be completed on priority basis.
UPSRTC (Physical achievement)	----	Moderate	-----	Vehicle production and staff production is lower.	Introduction of new technology freight and reduce bus staff ratio.
Financial achievement				high rate of taxation, over staffing, increasing interest burden, unhealthy competition in the private sector	Reduce the bus staff ratio; do away with the over aged buses on regular basis.

CHAPTER X

सामाजिक विकास: शिक्षा, स्वास्थ्य, नियोजन, जनसंख्या एवं ऐच्छिक क्षेत्र

बदलते सामाजिक आर्थिक परिवेश में भारत में भी विकास की प्राथमिकताएं बदलती रहती हैं। यद्यपि सामाजिक विकास भारत में आर्थिक विकास का एक अभिन्न अंग रहा है, परन्तु नये परिवेश में इसका महत्व और भी बढ़ गया है। अब जबकि सरकार उत्पादन में प्रत्यक्ष भागीदारी से दूर रह रही है, आर्थिक एवं सामाजिक अधोसंरचना का विकास तेजी से करना सरकार की नई रणनीति में शामिल हो चुका है। इसी को ध्यान में रखते हुए हम विभिन्न सामाजिक पहलुओं का मूल्यांकन करेंगे।

शिक्षा

उत्तर-प्रदेश में जहां साक्षरता एक भीषण चुनौती है, वहीं शिक्षा के मामले में जटिलताएं बढ़ती जा रही हैं। एक तरफ जहां प्रदेश में अगले कुछ वर्षों में सम्पूर्ण साक्षरता के लक्ष्य को हासिल करना अपरिहार्य है, वहीं भारत को 2010 तक विश्व में ज्ञान की महाशक्ति के रूप में अपने को स्थापित करने की चुनौती है। इस चुनौती में उत्तर प्रदेश की भूमिका महत्वपूर्ण हो जाती है, क्योंकि न केवल जनसंख्या के दृष्टिकोण से हर छठा भारतीय उत्तर प्रदेश का है। अपितु जनसंख्या संक्रमण में प्रदेश के पिछड़ने के कारण यहां युवाओं का अनुपात देश में बढ़ने वाले युवाओं के अनुपात से अधिक होगा।

उत्तर-प्रदेश में शिक्षा के क्षेत्र में हो रही प्रगति को समझने के लिए सबसे पहले तो इस मकड़जाल को समझना होगा कि शिक्षा के विभिन्न अवयव क्या हैं। दरअसल शिक्षा को विभिन्न चरणों के आधार पर बांटकर देख सकते हैं। इसमें हैं: प्राथमिक शिक्षा, प्रौढ़ शिक्षा, माध्यमिक शिक्षा, उच्च शिक्षा, एवं प्राविधिक शिक्षा। उत्तर प्रदेश में साक्षरता दर 2001 की जनगणना के अनुसार 57.4 प्रतिशत थी जो कि भारत के औसत 65.4 प्रतिशत से काफी कम है। यह अलग बात है कि सर्वोच्च 90.9 प्रतिशत केरल में हैं। इसमें भी चिन्तनीय स्थिति महिला साक्षरता दर की है, जो 43.0 प्रतिशत है और भारत में यह 54.3 प्रतिशत है, जबकि सर्वोच्च 87.9 प्रतिशत केरल में है। फिर भी प्रदेश की दसवीं योजना में बालिकाओं की साक्षरता या शिक्षा को तेजी से बढ़ाने के लिए स्पष्ट और ठोस रणनीति का अभाव देखने को मिलता है।

बात जहां तक प्राथमिक शिक्षा की है, इस पर सरकार का ध्यान सर्वाधिक प्रतीत होता है, क्योंकि सर्व शिक्षा अभियान के अनुसार प्राथमिक शिक्षा को 2007 तक सभी को शामिल करना है। इसके अन्तर्गत 6.11 वर्ष की आयु के सभी बच्चे साक्षर हो चुके होंगे। वार्षिक योजना 2004-05 के अनुसार स्कूलों की कमी लगभग समाप्त हो चुकी है। इसके अनुसार शिक्षक-छात्र के 1:45 वाले वांछित अनुपात को 2004-05 में 20000 शिक्षा मित्रों की नियुक्ति से पूरा कर लिया जायेगा। इसके अतिरिक्त स्कूल छोड़ने वाले बच्चों का अनुपात अब घटकर प्राथमिक स्तर पर 34 प्रतिशत और उच्च प्राथमिक स्तर पर 45 प्रतिशत हो गया है। यदि हम इन्हीं सूचनाओं पर अपना ध्यान केन्द्रित करें तो हम कह सकते हैं कि 2007 तक वांछित लक्ष्य अप्राप्य है, क्योंकि अभी शिक्षकों की नियुक्ति तथा

स्कूल छोड़ने की प्रवृत्ति पर अंकुश नहीं लग सका है। इसके अतिरिक्त हमने जनसंख्या बढ़नेके कारण बच्चों की बढ़ती आबादी को भी नजरंदाज किया है। दसवीं पंचवर्षीय योजना में प्राथमिक व उच्च प्राथमिक शिक्षा के लिए ₹0 2795.65 करोड़ के परिव्यय की व्यवस्था है। परन्तु वास्तविक व्यय इससे काफी कम होने का अनुमान है वर्ष 2002-03 में ₹0 319.39 करोड़ के परिव्यय की तुलना में वास्तविक व्यय 33 प्रतिशत कम अर्थात् ₹0 213.89 करोड़ हुआ। असी प्रकार 2003-04 में ₹0 268.77 करोड़ की परिव्यय राशि की तुलना में वास्तविक व्यय 26 प्रतिशत घटकर ₹0 198.68 करोड़ हुआ। वर्ष 2004-05 में 415.94 करोड़ ₹0 की राशि आवंटित की गयी है। इससे भी गंभीर बात यह है कि प्रथम तीन वर्षों में प्रचलित कीमतों पर ही परिव्यय राशि दसवीं पंचवर्षीय योजना के इस मद के परिव्यय राशि का मात्र 36 प्रतिशत ही था। वास्तविक व्यय तो इससे भी काफी कम है। ऐसे में निर्धारित लक्ष्य को हासिल कर पाने में दिक्कतें अवश्य आएंगी। इस प्रकार प्राथमिक शिक्षा पर सरकार का ध्यान मुख्यतया शत-प्रतिशत साक्षरता पर अधिक है, इसकी गुणवत्ता पर कम। इसका एक कारण यह भी है कि शहरी या कस्बाई इलाकों में लोग सरकारी विद्यालयों के बजाए निजी विद्यालयों में भेजना ज्यादा पसन्द करते हैं। इसके कई कारण हैं: जैसे कि आय, सामाजिक प्रतिष्ठा, गुणवत्ता इत्यादि। इसलिए सरकार के लिए यह भी अपेक्षित होगा कि वह ऐसे सरकारी प्राथमिक विद्यालय प्रमुख स्थानों पर न चलाए जहां अब इनकी आवश्यकता नहीं रह गयी है। इन पर व्यय होने वाले धन को वह आवश्यकता वाले क्षेत्रों में लगाए।

माध्यमिक शिक्षा वास्तव में अब विस्तार के साथ साथ गुणवत्ता की मोहताज है। क्योंकि यही वह चरण है जहां से बच्चे अपने भविष्य की संभावनाओं को टटोलना शुरू करते हैं। यह वह स्थिति है जहां पर सरकारी व निजी क्षेत्रों में व्यापक प्रतिस्पर्धा देखने को मिलती है, तथा जहां पर सरकार की शिक्षा नीति व रणनीतियों का सरकारी व निजी स्कूलों पर एक साथ प्रभाव देखने को मिलता है। परन्तु वर्तमान स्थिति ऐसी है कि राज्य सरकार हो या फिर केन्द्र सरकार, दोनों ही उहापोह की स्थिति से गुजर रहे हैं, तथा अपनी प्राथमिकताओं को बताने व मनवाने में असहाय प्रतीत हो रहे हैं। राज्य की दसवीं योजना में माध्यमिक शिक्षा को गुणवत्तापरक तथा नई दिशा की ओर उन्मुख करने पर जोर दिया गया है। प्रथम तो अभी यह स्पष्ट नहीं है कि शिक्षकों के सेवाकाल में प्रशिक्षण को कहां तक वास्तविकता के धरातल पर उतारा गया है। विद्यालयों को आधुनिक उपकरणों व आधुनिक साहित्य से कहां तक सुसज्जित किया गया है। इससे भी बड़ी बात यह है कि वास्तविक गुणवत्ता कितनी है। यहां यह बात कहना इसलिए अपरिहार्य हो जाता है कि गैर सरकारी व गैर सहायता प्राप्त माध्यमिक विद्यालयों की संख्या तेजी से बढ़ रही है, तथा इनमें छात्रों की संख्या भी तेजी से बढ़ रही है, परन्तु इनके शिक्षकों की योग्यता पर प्रायः प्रश्न चिन्ह लगता है। राजधानी के नामी-गिरामी स्कूलों के एक अध्ययन से यह बात काफी कुछ स्पष्ट हो जाती है। दूसरी ओर शहरी क्षेत्रों के पहले प्रतिष्ठित साकारी व गैर सरकारी सहायता प्राप्त माध्यमिक विद्यालयों में छात्रों की संख्या अचानक कम हो गयी है, क्योंकि वे अब गैर सहायता प्राप्त विद्यालयों की ओर आकर्षित हो रहे हैं। ऐसे में उपरोक्त सहायता प्राप्त विद्यालयों में शिक्षकों की संख्या काफी ज्यादा प्रतीत होने लगी है। यदि इनको हम आवश्यकता वाले स्थानों पर उपयोग में ला सकें तो सीमित संसाधनों से अधिक परिणाम प्राप्त हो सकते हैं। माध्यमिक शिक्षा की दूसरी बड़ी समस्या बढ़ती कोचिंग प्रणाली है, जो यह उजागर करने के लिए पर्याप्त है कि पाठ्यक्रम प्रणाली बोजिल तो है ही साथ ही योग्य व समर्पित शिक्षकों का भी टोटा है।

उत्तर-प्रदेश की उच्च शिक्षा एक कठिन दौर में है। जहां प्रदेश में उच्च शिक्षा निजीकरण की राह पर है, वहीं इसकी गुणवत्ता में गिरावट लगातार देखने को मिल रही है। दसवीं योजना में 18-23 आयु वर्ग के युवक युवतियों की पंजीकरण दर 6 प्रतिशत से उच्च बढ़ाकर 10 प्रतिशत करने का लक्ष्य है। साथ ही उदारीकरण, गुणवत्ता तथा पाठ्यक्रमों की गुणवत्ता के मूल्यांकन की भी बात स्पष्ट की गयी है। इसी के साथ दूरस्थ शिक्षा पर

भी जोर दिया गया है। परन्तु लगता है कि उच्च शिक्षा गुणवत्ता के बजाए भीड़ का शिकार होती जा रही है। क्योंकि अधिकांश युवक युवतियां इसलिए प्रवेश लेते हैं कि उनको रोजगार नहीं मिल पा रहा है, तथा लड़कियों की सामाजिक दिक्कतों के कारण विवाह में दिक्कतें आ रही हैं। उच्च शिक्षा के गुणवत्ता विकास की आवश्यकता इसी से समझी जा सकती है, दसवीं योजना ने 2010 तक भारत को ज्ञान की महाशक्ति बनाने की बात कही है। इसके लिए जहां विश्वविद्यालयों व कालेजों में प्रयोगशालाओं में व्यापक सुधार, पुस्तकालयों का आधुनिकीकरण व राष्ट्रीय व अन्तर्राष्ट्रीय पुस्तकों और पत्र-पत्रिकाओं की व्यापक उपलब्धता, शोध के लिए उपयुक्त सुविधाओं आदि की आवश्यकता होती है। परन्तु इस ओर व्यापक निराशा है। यह इसी बात से समझा जा सकता है कि दसवीं योजना में उच्च शिक्षा के लिए मात्र 168.18 करोड़ ₹0 का परिव्यय निर्धारित है, और इसकी भी प्रतिपूर्ति हो पाना नामुमकिन है। वर्ष 2002-03 में 17.11 करोड़ ₹0 के परिव्यय के विपरीत वास्तविक व्यय 12.12 करोड़ ₹0 हो सका। वर्ष 2003-04 में पुनः 17.11 करोड़ ₹0 के परिव्यय के विपरीत वास्तविक व्यय वृद्धि बढ़कर 21.66 करोड़ हुई। वर्ष 2004-05 में 43.89 करोड़ ₹0 का परिव्यय निर्धारित है। इस प्रकार दसवीं योजना के प्रथम तीन वर्षों में कुल परिव्यय राशि का आधे से भी कम परिव्यय रखा गया व वास्तविक व्यय इससे भी कम होने की संभावना है। गुणवत्ता सुधार के लिए सरकार को व्यापक सुधार करना होगा जिसमें प्रशासनिक हस्तक्षेप कम करते हुए उपयुक्त वातावरण तैयार करना होगा। यदि ध्यान दिया गया तो हम उच्च शिक्षा को विश्वस्तरीय बनाकर विदेशी छात्रों को भी आकर्षित कर सकते हैं।

उच्च शिक्षा के साथ साथ प्राविधिक शिक्षा का महत्व भी बदलती आर्थिक परिस्थितियों में बढ़ता जा रहा है, जहां वैश्वीकरण के कारण एक ओर चुनौतियां बढ़ रही हैं, वहीं उपयुक्त रणनीतियों से इन चुनौतियों को अवसरों में परिवर्तित किया जा सकता है। इसके लिए स्वरोजगार व औद्योगिक आवश्यकता की प्रतिपूर्ति के लिए विभिन्न प्रकार के गुणवत्ता युक्त डिप्लोमा और डिग्री पाठ्यक्रमों की आवश्यकता होती है। बढ़ती आवश्यकताओं को देखते हुए सरकार ने इस क्षेत्र में निजी क्षेत्र को व्यापक स्तर पर भागीदारी करने के लिए दरवाजा खोल दिया है। उत्तर प्रदेश में दसवीं योजना के लिए 989 करोड़ ₹0 के परिव्यय का प्रावधान है। वर्ष 2002-03 में 15 करोड़ ₹0 का परिव्यय तय था, परन्तु वास्तविक व्यय 11.64 करोड़ ₹0 ही हुआ। इसी प्रकार वर्ष 2003-04 में 75.10 करोड़ ₹0 के परिव्यय का प्रावधान था, परन्तु वास्तविक व्यय मात्र 8.75 करोड़ ही हुआ। वर्ष 2004-05 के लिए 78.19 करोड़ ₹0 का परिव्यय तय किया गया है। तकनीकी शिक्षा के बदलते परिवेश में इसकी गुणवत्ता व शोध की कार्यशैली को बढ़ावा देने की है। लेकिन यहां चिन्ताजनक बात यह है कि निजीकरण का सही प्रभाव देखने को नहीं मिल रहा है। इसमें सर्वाधिक निराशा उत्तर प्रदेश प्राविधिक विश्वविद्यालय के कार्यकलापों व प्रभाव के रूप में देखा जा सकता है, जिससे राज्य के सभी निजी क्षेत्र के मैनेजमेन्ट व इंजीनियरिंग कालेज जुड़े हैं। इनमें शोध का सर्वथा अभाव है। शिक्षकों की योग्यता मापदण्ड के अनुरूप नहीं है। इनमें गुणवत्ता से ज्यादा धनोपार्जन पर जोर है, जो प्रदेश के समुचित विकास के लिए उपयुक्त नहीं है।

जनसंख्या

जनसंख्या यदि एक वरदान है तो अनपेक्षित जनसंख्या एक अभिशाप भी है। उत्तर-प्रदेश में पर छठा भारतीय निवास करता है। यदि हम सबको विश्व के अन्य देशों की जनसंख्या के आधार पर तुलना करें तो पता चलता है कि उत्तर-प्रदेश का छठा स्थान है। इस प्रकार विश्व का हर सैंतीसवां नागरिक उत्तर-प्रदेश का है। विकास में उत्तर-प्रदेश की कछप गति पहले ही देखी जा चुकी है। यदि हम तालिका P-1 को देखें तो पता

चलता है कि 2001 में 16.6 करोड़ की सर्वाधिक आबादी वाले उत्तर प्रदेश में जनसंख्या वृद्धि दर न केवल काफी ऊंची है अपितु इसमें अभी भी बढ़त जारी है। इसके विपरीत भारत में जनसंख्या वृद्धि दर में गिरावट का रुख प्रारम्भ हो चुका है। साक्षरता के दृष्टिकोण से उत्तर-प्रदेश की स्थिति बिहार व जम्मू एवं कश्मीर के बाद सबसे खराब है। यहां आधी से ज्यादा महिलाएं अभी भी निरक्षर हैं। यदि हम विकास के कुछ और सूचकों को देखें तो निम्न नगरीकरण व अत्यधिक प्रतिकूल लिंग अनुपात उत्तर-प्रदेश की सामाजिक आर्थिक पिछड़ेपन को खुद स्पष्ट करते हैं। उत्तर प्रदेश के विभिन्न जिलों में व्यापक अन्तर अभी व्याप्त है (तालिका P-2)।

दरअसल उत्तर-प्रदेश अभी भी जनसंख्या संकमण के शुरुआती दौर में है, यह इसी बात से स्पष्ट हो जाता है कि यहां पर जन्म दर और मृत्यु दर देश से काफी ज्यादा है। मृत्यु दर 2002 में 9.7 थी, जो कि सर्वोच्च 9.8 (मध्य-प्रदेश और उड़ीसा) के पास ही है। अन्य राज्यों की अपेक्षा जन्म दर उत्तर प्रदेश में 31.6 है जो कि सर्वाधिक है। यह स्थिति उत्तर-प्रदेश के ग्रामीण व नगरीय दोनों क्षेत्रों में है। उत्तर-प्रदेश में शिशु मृत्यु दर 80 है जो कि उड़ीसा (87) और मध्य-प्रदेश (85) के बाद सर्वाधिक है। दसवीं योजना के अनुसार योजना के अन्त तक अर्थात् 2007 तक जन्म दर घटाकर 72 तक करने का लक्ष्य है। प्रथम तो यह कि यह तीनों ही लक्ष्य अप्राप्य हो सकते हैं, विशेष रूप से जन्म दर में तो इतनी कमी वर्तमान परिस्थितियों में ला पाना असम्भव सा लगता है। इतनी तीव्र गिरावट अब तक किसी भी राज्य में नहीं आ पायी है। ऐसा इसलिए भी मुश्किल है क्योंकि साक्षरता विशेष रूप से महिला साक्षरता काफी कम है। जन्म दर पर नियन्त्रण पर कोई ध्यान नहीं है, क्योंकि न तो प्रचार प्रसार है और न ही उपयुक्त सुविधाओं का विस्तार, सामाजिक आर्थिक स्तर और जागरूकता का अभाव है, जन्म दर को इतने कम समय में एक तिहाई कम करना मुश्किल है। इसकी बानगी प्रदेश की जनसंख्या नीति 2000 की अपेक्षा से पता चलता है। मृत्यु दर में कमी स्वास्थ्य एवं चिकित्सा सुविधाओं, पोषण और सामाजिक स्तर के साथ साथ लिंग समानता पर भी निर्भर करता है। इसके बावजूद यदि 2007 तक शिशु मृत्यु दर मात्र 72 तक ही घटती है तो न तो जन्म दर को कम किया जा सकता है और न ही मृत्यु दर को। कुल मिलाकर जनसंख्या नियन्त्रण के मामले में एक विशेष पहल की आवश्यकता है। यह इसलिए कि अब लक्ष्य रहित परिवार कल्याण व जागृति व स्वास्थ्य तथा परिवार कल्याण सुविधा के अभाव में जनसंख्या वृद्धि पर अंकुश लगा पाना दसवीं योजना में मुश्किल प्रतीत होता है।

नियोजन

नियोजन एक ऐसी प्रक्रिया है जो सूचना रणनीति और कार्यक्रम क्रियान्वयन के बीच एक सशक्त धुरी का कार्य करती है। यहां पर हम भारतीय परिवेश में राज्य स्तर की नियोजन प्रणाली की अन्तर्निहित समस्याओं एवं विरोधाभासों का वर्णन तो नहीं कर सकते हैं, लेकिन एक सशक्त नियोजन प्रणाली के लिए उत्तर प्रदेश में निम्न बिन्दुओं पर ध्यान देना अपेक्षित प्रतीत होता है :

- एक उपयुक्त सूचना प्रणाली जो कि नियोजन प्रक्रिया के विभिन्न बिन्दुओं पर दिशा निर्देश हेतु अपरिहार्य है। यह एक विडम्बना है कि कभी उत्तर प्रदेश का अर्थ और संख्या प्रभाग तथा Perspective Planning Division सबसे बेहतर संस्थाओं में माना जाता था जो न केवल समकों का समयबद्ध व क्रमबद्ध तरीके से संकलन करते थे, वरन उनका शोध में इस्तेमाल करके एक उपयुक्त विश्लेषणात्मक परिवेश तैयार करते थे। आज उत्तर प्रदेश में समकों के संकलन व उनके नवीनीकरण पर विशेष ध्यान देने की आवश्यकता है।

- संसाधनों की समुचित जानकारी व उनका समय से दोहन न केवल संसाधनों की प्रत्यक्ष सार्थकता को बढ़ापे में मददगार होता है, अपितु परोक्ष लाभों का तीव्र गति से बढ़ाकर सम्पूर्णता में विकास प्रक्रिया को सम्बल प्रदान करना है।
- एक स्पष्ट एवं वस्तुपरक लक्ष्य व सटीक रणनीति किसी भी योजना की अपरिहार्य विशेषता होती है। परन्तु संसाधनों की धूमिल तस्वीर, कार्यक्रमों के बारे में लोगों में जानकारी का अभाव व बार बार अनुकूल होने पर भी परिणाम अपेक्षित नहीं होते हैं।
- एक सफल रणनीति के लिए आवश्यक है कि किसी भी अवधि के लिए रणनीति व लक्ष्य का खुलासा समय से हो। प्रायः यह समस्या विभिन्न कड़ियों में ताल मेल के अभाव के कारण समाप्त करना मुश्किल होता है।
- यह भारत व उत्तर-प्रदेश की रणनीतियों व नियोजन में एक अन्तर्निहित दोष है कि हम अपना लक्ष्य पिछली किसी जनगणना को आधार बनाकर रणनीतियाँ बनाते हैं, जिससे नियोजन प्रणाली में एक तनाव प्रारम्भ से ही घुसपैठ कर लेता है। यह वास्तविकता से परे होता है।

स्वास्थ्य एवं चिकित्सा

आर्थिक विकास के क्रम में यह आवश्यकता महसूस की गयी कि विकास ऐसा हो जिसका लाभ सबको मिल सके और इसका लाभ विकास को पोषणीय बनाने में मिल सके। इसीलिए मानव विकास के ऐसे पहलुओं को विश्व स्तर पर केन्द्र बिन्दु बनाने के प्रयास चल रहे हैं, जिसका लाभ मानव समुदाय के प्रत्येक सदस्य को मिल सके। इस प्रयास के प्रतीक के रूप में हम यू. एन. डी. पी. द्वारा 1990 से प्रारम्भ किये गये सालाना मानव विकास रिपोर्ट के रूप में देख सकते हैं, जो हर वर्ष अन्तर्राष्ट्रीय स्तर पर मानव विकास के बदलते पहलुओं का विश्लेषण करता है। इसमें स्वास्थ्य एवं चिकित्सा का एक विशेष स्थान है। इसी तथ्य को दृष्टिगत रखते हुए हम उत्तर-प्रदेश की दसवीं योजना में इसका मूल्यांकन कर सकते हैं।

दसवीं पंचवर्षीय योजना में यूं तो स्वास्थ्य एवं चिकित्सा को काफी ज्यादा महत्व देने की बात कही गयी है, और यह भी कहा गया है कि वह राष्ट्रीय स्वास्थ्य नीति के दायरे में अपनी रणनीति तय करेगी। इससे पहली बात तो यह स्पष्ट हो जाती है कि प्रदेश की अपनी जरूरतों के हिसाब से कोई सुदृढ़ स्वास्थ्य नीति नहीं है, जिसको बनाये जाने की अति आवश्यकता है। दूसरे दसवीं योजना में जिस प्रकार की आवश्यकताएं बतायी गयी हैं और जो लक्ष्य निर्धारित किए गये हैं, वे काफी दुर्लभ से प्रतीत होते हैं।

फिर भी यदि हम सर्वप्रथम संसाधनों पर गौर करें तो दसवीं पंचवर्षीय योजना के लिए उत्तर-प्रदेश में कुल 2044.8 करोड़ रु० की मंजूरी दी गयी है। इसमें से 993.9 करोड़ रु० वाह्य सहायता कार्यक्रम (EAP) के अन्तर्गत है, जबकि 329.5 करोड़ रु० प्रधानमन्त्री ग्रामोदय योजना (PMGY) के और 21.4 करोड़ रु० ग्यारहवें वित्त आयोग के अन्तर्गत है। इसमें से वाह्य सहायता कार्यक्रम से प्राप्त वांछित राशि पर एक बड़ा प्रश्नचिह्न है क्योंकि उत्तर प्रदेश में इस मद का समुचित दोहन रणनीतियों की कमजोरी के कारण नहीं हो पा रहा है। वर्ष 2002-03 में 313.3 करोड़ रु० की राशि का परिव्यय निर्धारित किया है, जबकि वास्तविक व्यय मात्र रु० 270.4 करोड़ हुआ। इसी प्रकार 2003-04 में 339.4 करोड़ रु० की राशि का परिव्यय निर्धारित किया गया था, परन्तु अनुमानित व्यय तो विगत वर्ष से भी कम अर्थात् 197.5 करोड़ रु० रहने का अनुमान है। वर्ष 2004-05 में यह पिछले वर्ष की परिव्यय राशि से भी कम अर्थात् 330.1 करोड़ रु० तय किया गया है। इस प्रकार प्रथम तीन वर्षों का कुल परिव्यय राशि

ही दसवीं योजना के कुल परिव्यय का मात्र 48 प्रतिशत है। जबकि व्यय तो इससे भी काफी कम है। ऐसे में स्वास्थ्य एवं चिकित्सा के लिए तय किये गये लक्ष्यों को हासिल कर पाना दुष्कर होगा। हालांकि यह भी एक सत्य है कि नवीं योजना में स्वास्थ्य एवं चिकित्सा पर प्रदेश का कुल योजना व्यय का मात्र 2 प्रतिशत व्यय हुआ था, तथा पहली से नवीं योजना तक का औसत 3 प्रतिशत है। वहीं स्वास्थ्य एवं चिकित्सा को प्राथमिकता प्रदान करते हुए दसवीं पंचवर्षीय योजना में कुल परिव्यय का 4 प्रतिशत परिव्यय निर्धारित किया गया है।

संसाधनों की कमी का बुरा प्रभाव दसवीं योजना में यूँ तो सभी मदों पर देखने को मिलेगा, लेकिन जो मदें सबसे ज्यादा दृष्टिगत हो रही हैं वे हैं: स्वास्थ्य केन्द्रों का अपेक्षित संख्या में विस्तार। इनमें ढीली सर्वाधिक प्रभावित हो रहे हैं: निर्माण कार्य विशेष रूप से सामुदायिक स्वास्थ्य केन्द्र। दर असल इनसे अपेक्षा है कि हर विकास खण्ड स्तर पर एक सामुदायिक विकास केन्द्र की स्थापना से विभिन्न प्रकार की विशिष्ट स्वास्थ्य सेवाएं ग्रामीणों को उनके नजदीक ही गुणवत्ता के साथ प्राप्त होंगी। दसवीं योजना में इस प्रकार के 200 केन्द्रों के निर्माण करने का लक्ष्य रखा गया है, जो पहले दो वर्षों में मात्र 55 ही पूरा हो सकने की उम्मीद है।

ऐच्छिक क्षेत्र

यूँ तो ऐच्छिक क्षेत्र का समाज में सदैव ही अस्तित्व रहा है और इनकी सामाजिक व आर्थिक क्षेत्रों में व्यापक पहल रही है, परन्तु आधुनिक व तत्काल परिवेश में ऐच्छिक संगठनों की भूमिका काफी बढ़ गयी है। भारत में भी अब मान्यता यह है कि ऐच्छिक संगठन विकास में योगदान के लिए महत्वपूर्ण हैं, जो कि केन्द्र सरकार, राज्य सरकार, पंचायती राज तथा अन्य निजी क्षेत्रों की तरह विकास के महत्वपूर्ण घटक हैं। ऐच्छिक संगठन एक गैर लाभकारी, गैर सरकारी व स्वायत्त संस्था है, जिसको मुख्य रूप से आम जनता से नगद व अन्य प्रकार से सहायता मिलती है। ऐच्छिक संगठन कई प्रकार के दायित्व तथा विकास, सहायता व अल्पकालीन सहायता में लिप्त होते हैं। निजी लोगों के एक समूह या गैर सरकारी संगठनों द्वारा इनकी स्थापना की जाती है। इसका प्रबन्धन स्वतन्त्र एवं सदस्यों द्वारा चयनित लोगों द्वारा किया जाता है, जो वित्तीय रूप से स्वतन्त्र होता। दरअसल वर्तमान परिवेश में इसकी आवश्यकता इसलिए महसूस हुई क्योंकि सरकार के क्रियाकलापों व जनता की अपेक्षाओं के बीच अन्तर बढ़ता जा रहा है। जिसकी भरपाई कोई स्वतन्त्र गैर सरकारी संगठन ही करने में ज्यादा सक्षम हो सकता है। ऐच्छिक संगठनों द्वारा प्रतिपादित क्रियाकलापों में व्यापक बदलाव आया है। जो कि आधुनिक आवश्यकताओं के अनुरूप अपने को समायोजित भी कर रहा है।

उत्तर-प्रदेश में भी ऐच्छिक संगठनों की बढ़ती भूमिका को स्वीकार किया गया है। इसका पता इसी बात से चलता है कि पंचवर्षीय योजनाओं में अब इसका अलग से जिक्र किया जाने लगा है। उत्तर-प्रदेश सरकार द्वारा हाल के वर्षों में कई ऐसे कदम उठाए गए हैं, जो कि ऐच्छिक संगठनों के लिए उपयुक्त माहौल बना सके। इन सबसे महत्वपूर्ण बात यह है कि पंचवर्षीय योजनाओं में इनके लिए धन का प्रावधान भी विभिन्न उद्देश्यों को प्राप्त करने के लिए किया जाने लगा है। परन्तु सबसे बड़ी समस्या राज्य सरकार के सामने यह है कि गैर सरकारी संगठनों की कोई स्पष्ट सूचना उपलब्ध नहीं है। इस कमी को पूरा करने के लिए राज्य योजना आयोग के तहत एक व्यवस्था गैर सरकारी संगठनों के बारे में डेटा बैंक स्थापित करने के लिए किया गया है। इसका उद्देश्य यह है कि इससे सरकार व इन संगठनों के बीच बेहतर तालमेल स्थापित होगा तथा, उपयुक्त संगठनों का विभिन्न उद्देश्यों की पूर्ति के लिए चयन प्रक्रिया सुगम तथा ज्यादा प्रभावी बन सकेगी। फिलहाल राज्य सरकार के पास किसी प्रामाणिक सूची का अभाव है, जो यह बता सके कि राज्य में कितने स्वयं सेवी संगठन हैं। उनकी विशेषज्ञता

किस क्षेत्र में है, उनके द्वारा कार्य का क्या अनुभव है, उनके द्वारा सम्पादित कार्य की गुणवत्ता क्या है, उनकी जनता के बीच क्या छवि है, और उनका संचालन किन लोगों द्वारा किन निहित कार्यों द्वारा किया जा रहा है, तथा उन्होंने सरकारी धन के अलावा अपने उद्देश्यों की पूर्ति के लिए साधन जुटाने के लिए और क्या प्रयास किये हैं। स्वयं सेवी संगठनों के प्रदत्त नियोजन धनराशि का वर्णन तालिका V-1 में किया गया है। इसको देखने से निम्न तथ्यों का बोध होता है:

- सरकार अब ऐच्छिक संगठनों के विकास कार्यों में महत्व को समझते हुए इनके लिए चयनित कार्यक्रमों के क्रियान्वयन हेतु पंचवर्षीय योजनाओं में धन का आवंटन सुनिश्चित करने लगी है।
- नवी पंचवर्षीय योजना में कुल 169.3 करोड़ (1996-97 की कीमतों पर) की राशि का आवंटन किया गया था, परन्तु वास्तविक व्यय, परिव्यय के मुकाबले 28 प्रतिशत कम था।
- नवी पंचवर्षीय योजना में कृषि तथा मृदा एवं जल संरक्षण के लिए कोई राशि आवंटित नहीं की गयी थी, फिर भी इन पर कुल वास्तविक व्यय का 12 प्रतिशत व्यय किया गया। निश्चित तौर पर परिव्यय के मुकाबले कुल व्यय राशि पहले ही कम थी, ऐसे में जिन मदों पर व्यय निर्धारित था उन पर व्यापक कटौती करनी पड़ी। यह मुख्यतया जल आपूर्ति व सैनिटेशन पर था, जबकि महिला कल्याण पर व्यय अधिक किया गया।
- दसवीं पंचवर्षीय योजना में पिछली योजना के मुकाबले परिव्यय राशि ऐच्छिक संगठनों के लिए बढ़ाकर 536 करोड़ रु० निर्धारित की गयी है। यह प्रदेश के कुल योजना परिव्यय का 0.9 प्रतिशत है। जबकि नवी योजना में ऐच्छिक संगठनों द्वारा कुल योजना व्यय का 0.5 प्रतिशत ही हिस्सा था।
- दसवीं पंचवर्षीय योजना में सर्वाधिक 80 प्रतिशत का आवंटन कृषि क्षेत्र के लिए किया गया है, जबकि सामाजिक कल्याण व पोषण के लिए कोई राशि निर्धारित नहीं की है।
- इस योजना में भी आवंटन या व्यय में कोई स्पष्ट तालमेल नहीं है। यह प्रथम तीन वार्षिक योजनाओं को देखने से स्पष्ट हो जाता है।

कुल मिलाकर ऐच्छिक संगठनों के संदर्भ में यह कहा जा सकता है कि अभी भी प्रदेश सरकार के पास इस तरह के संसाधनों की स्पष्ट जानकारी नहीं है, और न ही कोई स्पष्ट दृष्टिकोण। इन पर योजना राशि के अधिक या कम व्यय से भी किसी निष्कर्ष पर पहुंच पाना काफी दुष्कर है। अभी स्पष्ट सूचना या स्पष्ट रणनीति के अभाव में इनके मूल्यांकन पर भी कुछ स्पष्टता नहीं है। इसलिए आवश्यकता इस बात की है कि स्वयं सेवी संगठनों के बारे में स्पष्ट सूचना हो तथा यह भी देखा जाये कि क्या वे अपने उद्देश्यों की पूर्ति के लिए केवल सरकारी धन पर ही आश्रित हैं या फिर अन्य स्रोतों से भी संसाधनों को जुटा रहे हैं।

तालिका V-1
स्वयं सेवी संस्थाओं के लिए योजना परिव्यय व वास्तविक व्यय

(लाख रु०)

	नवी पंचवर्षीय योजना (1997-2002)			दसवीं पंचवर्षीय योजना (2002- 07) के लिए 2001-02 की कीमतों पर स्वीकृत परिव्यय	2002-03 (प्रचलित कीमतों पर)		2003-04 (प्रचलित कीमतों पर)		2005 प्रस्तावित परिव्यय (प्रचलित कीमतों पर)
	स्वी.परि. (1996-97 की.)	वास्त.व्यय (प्रचलित की.)	वास्त.व्यय (1996-97 की.)		स्वी.परि	वास्त.व्यय	स्वी.परि	वास्त. व्यय	
कृषि	--	1359.63	1040.19	42874.00	599.90	599.90	7683.00	7683.00	530.61
मृदा और जल संरक्षण	--	479.75	369.66	1963.00	546.00	276.00	545.00	228.00	591.00
जल आपूर्ति और सेनिटेशन	13142.93	10631.68	8656.30	6750.00	6250.00	3478.04	1310.00	2440.82	300.00
महिला कल्याण	522.53	1096.24	863.01	1591.91	544.01	444.45	--	170.74	713.02
अनुसूचित जाति जनजाति कल्याण	3190.00	437.25	362.32	424.82	138.86	48.24	394.87	1.01	2434.94
सामाजिक कल्याण	72.00	--	--	--	--	--	--	--	--
पोषण	--	1116.01	856.38	--	--	560.23	--	452.25	--
कुल योग	16927.46	15120.56	12147.85	53604.10	8078.97	5406.64	9932.57	10976.3 1	4569.07

तालिका P-1
अन्तर्राष्ट्रीय जनसंख्या सम्बन्धी कुछ विशेषताएं

राज्य	दशकवार जनसंख्या वृद्धि दर (%)		लिंग अनुपात 2001	साक्षरता दर 2001*	शहरी जनसंख्या का अनुपात(%) 2001
	1981-91	1991-2001			
आन्ध्र प्रदेश	24.2	13.9	978	61.1 (51.2)	27.1
असम	24.2	18.9	932	64.3 (56.0)	12.7
बिहार	23.5	28.4	921	47.5 (33.6)	10.5
गुजरात	21.2	22.5	921	70.0 (58.6)	37.4
हरियाणा	27.4	28.1	861	68.6 (56.3)	29.0
हिमाचल प्रदेश	20.8	17.5	970	77.1 (68.1)	9.8
जम्मू एवं कश्मीर	30.3	29.0	900	54.5 (41.8)	24.9
कर्नाटक	21.1	17.3	964	67.0 (57.5)	34.0
केरल	14.3	9.4	1058	90.9 (87.9)	26.0
मध्य प्रदेश	27.2	24.3	920	64.1 (50.3)	26.7
महाराष्ट्र	25.7	22.6	922	77.3 (67.5)	42.4
उड़ीसा	20.1	15.9	972	63.6 (51.0)	15.0
पंजाब	20.8	19.8	874	70.0 (63.6)	34.0
राजस्थान	28.4	28.3	922	61.0 (44.3)	23.4
तमिलनाडु	15.4	11.2	986	73.5 (64.6)	43.9
उत्तर प्रदेश	25.6	25.8	898	57.4 (43.0)	20.8
पश्चिम बंगाल	24.7	17.8	934	69.2 (60.2)	28.0
सम्पूर्ण भारत	23.9	21.3	933	65.4(54.3)	27.8

* कोष्ठक में महिला साक्षरता दर प्रदर्शित की गयी है।

तालिका P-2
जनांकिकी सम्बन्धी कुछ आंकड़े

भारत/उत्तर प्रदेश उच्चतम/निम्नतम जिले	जनसंख्या वृद्धि दर 1991-2001(%)	परिवार का औसत आकार 2001	लिंग अनुपात 2001	0-6 आयु वर्ग से लिंग अनुपात 2001	साक्षरता दर (%) 2001	महिला साक्षरता दर (%) 2001
भारत	21.30	5.3	933.0	927.0	64.8	53.7
उत्तर प्रदेश	25.85	6.5	898.0	915.6	56.3	42.2
सर्वाधिक स्थान प्राप्त जिला (गाजियाबाद)	47.19	8.4 (संतरविदास नगर)	1020.0 (आजमगढ़)	969.7 (बहराईच)	74.4 (कानपुर नगर)	67.5 (कानपुर नगर)
न्यूनतम स्थान प्राप्त जिला (बागपत)	12.97	5.7 (लखनऊ)	839.9 (मथुरा)	850.4 (बागपत)	33.8 (श्रावस्ती)	18.6 (श्रावस्ती)

एक समन्वित स्वरूप

उपरोक्त चर्चा से एक बात यह स्पष्ट होती है कि प्रदेश के दीर्घकालीन विकास में शिक्षा और स्वास्थ्य की भूमिका अत्यन्त महत्वपूर्ण तो है ही, परन्तु यदि हम इसका समुचित दोहन कर सकें तो यह दीर्घकालीन रणनीति के तहत निर्णायक भी साबित हो सकता है। अन्तर्राष्ट्रीय और राष्ट्रीय स्तर पर मानव विकास पर यूं भी अब ध्यान केन्द्रित हो रहा है। यह जहां वर्तमान में प्रदेश के लिए एक चुनौती है, वहीं सटीक रणनीति से इसको सुअवसर में परिणित किया जा सकता है। इन सबको मूर्त रूप देने में विभिन्न सशक्त माध्यमों की आवश्यकता होती है, वह चाहे सरकारी हो या गैर-सरकारी हों या फिर जनसहयोग से यथार्थ रूप दिया जाये। हम उपरोक्त चर्चा के विभिन्न बिन्दुओं को सार के रूप में निम्नवत प्रदर्शित कर रहे हैं :-

- उत्तर-प्रदेश में जनसंख्या वृद्धि का दौर अनवरत जारी है, तथा जन्म दर, मृत्यु दर एवं शिशु मृत्यु दर काफी ज्यादा है।
- जनसंख्या वृद्धि पर हमारी निम्न आर्थिक विकास को और संकुचित कर रही हैं।
- शिक्षा के विभिन्न क्षेत्रों में प्रगति नजर आ रही है, परन्तु लक्ष्य को देखते हुए रफ्तार काफी मन्द है।
- महिला साक्षरता और शिक्षा पर व्यापक ध्यान देने की आवश्यकता है।
- गुणवत्ता के दृष्टिकोण से प्रदेश में विभिन्न स्तरों की शिक्षा को अब व्यापकता प्रदान करने की आवश्यकता है, वह चाहे विश्वविद्यालय स्तरीय हो, तकनीकी हो या फिर मेडिकल और अन्य प्रकार की।
- उत्तर-प्रदेश में स्वास्थ्य एवं चिकित्सा का विस्तार अपेक्षित गति से नहीं हो पा रहा है, संसाधनों की कमी जहां एक समस्या है, वहीं संसाधनों का इस्तेमाल भी।
- उत्तर-प्रदेश में स्वास्थ्य एवं चिकित्सा के लिए स्पष्ट रणनीति की कमी भी सामने आती है।
- स्वास्थ्य एवं चिकित्सा सुविधाओं में गुणात्मक सुधार अपरिहार्य है। प्रदेश में गरीबी और भुखमरी की व्यापकता तथा बढ़ती जनसंख्या को देखते हुए सरकारी क्षेत्र की भूमिका काफी बढ़ जाती है।
- प्रदेश में नियोजन प्रणाली में समयानुसार गत्यात्मक परिवर्तन के साथ-साथ जनसंयोग की प्रवृत्ति को प्रोत्साहित करना ज्यादा लाभप्रद हो सकता है।

कुछ महत्वपूर्ण सम्भावनाएं

- साक्षरता जहां मानव विकास को प्रोत्साहित करेगी वहीं गरीबी की व्यापकता पर प्रहार भी होगा।
- गुणवत्तापरक उच्च शिक्षा, तकनीकी शिक्षा और मेडिकल शिक्षा एक ओर अन्य स्थानों और देशों से छात्रों को आकर्षित कर सकती है, वहीं यह आधुनिक ज्ञान से सुसज्जित मानव संसाधन का दोहन बदलती आर्थिक परिस्थितियों में कर सकती है।
- गुणवत्ता युक्त समयबद्ध स्वास्थ्य सुविधाएं मानव संसाधन का विकास करने के साथ साथ जनसंख्या पर प्रभावी अंकुश लगा सकती है।
- बढ़ती जनसंख्या जहां वर्तमान और भविष्य में प्रदेश के लिए एक चुनौती है, वहीं इस चुनौती को एक कुशल मानव संसाधन रणनीति द्वारा एक महत्वपूर्ण सुअवसर में परिवर्तित किया जा सकता है। ऐसा इसलिए सम्भव है कि भविष्य में जब देश के अनेकों प्रदेशों एवं विश्व के अनेकों भागों में आबादी अपेक्षाकृत बढ़ रही होगी, प्रदेश में नौजवानों की बहुतायत होगी।
- अनावश्यक रूप से ऐच्छिक संस्थानों पर निर्भरता बढ़ाने के बजाए, कुछ ऐसी रणनीति बनानी चाहिए जिससे जनसहभागिता बढ़ सके। यह जहां संसाधनों का अपव्यय रोक सकता है, वहीं लोगों में विश्वास और सजगता की अलख जगा सकता है।

CHAPTER XI

EMPOWERMENT AND SOCIAL JUSTICE

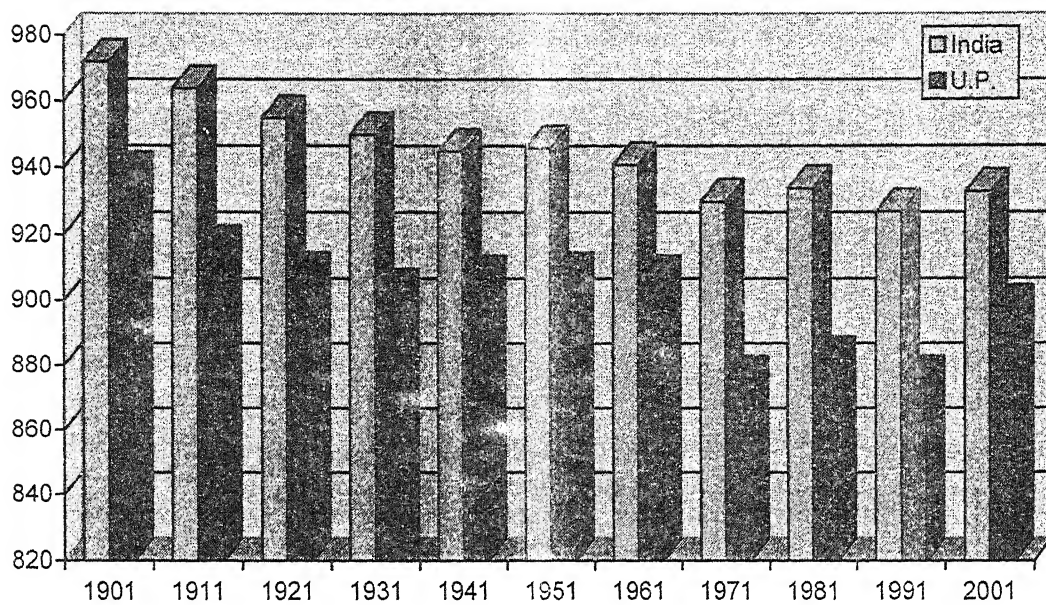
I Empowerment of Women

Women welfare can be considered as a consequential emergent of planned development. Women constitute the most significant section of general population because of their contribution in terms of both productive and reproductive roles. Women as a category in development process, which facilitates the élan vital owing to its multidimensional potential, ranging from its impact on health and nutrition of a population to the productive roles in the family structure of society. Hence, women welfare has been comprehended as the most vital element for making development self-propellant.

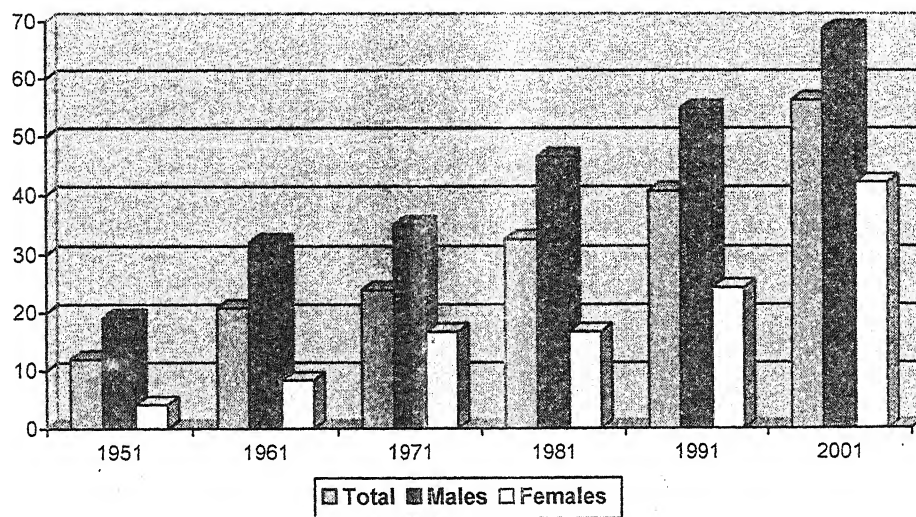
Present Status:

Females with 47.33% of total population constitute 7.86 crore in Uttar Pradesh as per 2001 census. Sex ratio has should increase of 22 females since last decade, although it is still lower than sex ratio at national level, which stands at 933 in 2001 68.8% male literacy in Uttar Pradesh. In comparison to 1991 figures, there is a slight improvement in literacy for females i.e. 17.83%, which is also higher than the improved rate achieved in male literacy (13.98%). There are still scopes for improvement at all levels. On participatory level figures follow the same trend. In worker population ratio women comprise only 16.3% of the aggregate, against 47.4% male ratio in 2001. Index on reproductive health places (RPI)Uttar-Pradesh at the bottom with score of 22.8.

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census. Sex ratio was 876 in 1991, which has increased to 898 in 2001. Figures of literacy rates also show a poor record that is 42.2% for female literacy against



Sectors	Expenditure during the Ninth Plan at 1996-97 prices	Tenth Plan Agreed Outlay	Annual Plan 2002-03		Annual Plan 2003-04 proposed outlay	Annual Plan 2004-05 proposed outlay
			Approved Outlay	Anticipated Expenditure		
1	2	3	4	5	6	7
VI	Social Security and Welfare					
1.	Social Welfare	6027.20	17790.00	3453.00	3453.00	3453.00
2.	Welfare of Handicapped	990.64	225.00	219.12	219.12	227.12
3.	Women Welfare	8873.83	3000.00	710.00	344.79	600.00
4.	Nutrition	16440.86	77947.00	855.00	8550.00	8550.00
	Total-Social Security and Welfare	32332.53	98962.00	12932.12	12566.91	12830.12
	Grand Total: Women Component Plan	75386.30	149983.02	19207.58	18557.63	19131.45

Women welfare through the Tenth Plan:

1. Elimination of all forms of discrimination against women.
2. Promotion of self-reliance through awareness generation at all levels and confidence building.

<i>Chairperson, Zila Panchayat</i>	53.62%
<i>Member, Zila Panchayat</i>	37.06%
<i>Chairperson, Kshettra Panchayat</i>	36.71%
<i>Member, Kshettra Panchayat</i>	35.82%
<i>Gram Pradhan</i>	35.32%
<i>Member, Gram Panchayat</i>	37.95%
3. Special treatment on priority level to women of disadvantageous sections of society living below poverty line.
4. Promotion of women participation in decision making process by facilitating active involvement in the Panchayati Raj Institution.
5. Effective implementation and monitoring of the women component Plan.
6. Accelerating process of women empowerment by organizing women's self help-groups.

Empowerment of women demands life cycle approach. In planning process every stage of their life needs special care, attention and priority. Depending upon the developmental needs at every stage female population is categorized in 5 sub groups. They include:

Girl children in the age group 0-14 years who are nearly 41% of total female population. They deserve special care and attention because from the tender age they suffer gender bias and discrimination.

Adolescent girls in the age group 15-19 years, are nearly 9% of total female population, are very sensitive. In this age group girls are in the preparatory stage for their future productive and reproductive roles in the society and family.

Women in the reproductive age group 15-44 years (nearly 42% of female population) needs special care and attention because of their reproductive role.

Women in the working age group 15-59 years who are nearly 52% of females have different demands like those of education, employment, income generation, decision-making and participation in the development process.

Women in the age group 60 and above (nearly 7%) have limited needs basically related to health, financial emotional support.

Socio-Economic Empowerment:

For women welfare sector, during tenth plan period 2002-07 total allocated outlay stands for Rs. 30.00 crores. For first annual plan i.e., 2002-03 it was Rs. 7.10 crores against which total expenditure was Rs. 4.22 crores. In 2003-04 expenditure was Rs. 9.25 crores though the outlay was Rs. 13.03 crores. Annual plan 2004-05 has provided an outlay of Rs. 14.22 crores. Tenth plan is specific and more focused on women welfare as it is aimed to treat development programmes with gender sensitivity.

(Rs. In lakh)

Plan	Outlay	Expenditure
Tenth Plan (2002-2007)	3000.00	
Annual Plan (2002-2003)	710.00	422.98
Annual Plan (2003-2004)	1303.00	925.82
Annual Plan (2004-2005)	1422.18	

1. Government is aimed to tackle more deprived women on priority level by providing social security through grant-in-aid schemes. A Maintenance grant of Rs. 125.00 pm is provided to destitute women living below poverty line. In non-plan expenditure 457994 women are being covered. In addition 36591 women were selected from Ambedkar villages during 2002-03. For 2003-04 period proposed outlay for the scheme was Rs. 552.52 lakh Grant-in-aid is also provided up to Rs. 10,000.00 for marriage of widows' daughters. For 2003-04 outlay was proposed of Rs. 19.00 lakh.
2. Scholarship is also provided to girls of general category, who are pursuing higher technical and professional courses living below poverty line. Amount of scholarship is ranging from Rs. 50.00 to Rs. 425.00 pm. During 2003-04 outlay was proposed of Rs. 19.00 lakh for this purpose.
3. Provision is also made for construction and maintenance of observation Homes and Children Homes. These homes provide services like accommodation, medical facilities and opportunities for occupation as well. During 2003-04 period Rs. 18.48 lakh was proposed as an outlay.

- *Grant in aid to women of disadvantageous section of society living below the poverty line*
- *Eliminate all forms of discrimination against women*
- *Participation and active involvement of women in the Panchayati Raj Institutions*
- *Awareness generation at all levels and their confidence building*
- *Ensure effective inter-sectoral convergence.*
- *Effective implementation and monitoring of the Women Component Plan.*
- *Organize women's self-help-groups and thus mark the beginning of a major process of empowering women.*
- *Shelter and protection to those who has no one to look after.*
- *Effective enforcement of legislation made for their welfare.*

4. Decision-making as well as financial assistance are incorporated with the active participation in project Swashakti. It is aimed to form Swashakti groups i.e. self-help groups, in which 10-20 members are included. Target group is provided financial assistance in the form of short-term loan on low interest rate. This is a centrally sponsored scheme for improving quality of life of strata living below poverty line. Project is working in 18 districts. Implementation is being done by the UP women development corporation and UP land Development Corporation. More than 5200 groups have been formed.
5. Project Swayamsidha (IWEP) is another centrally sponsored scheme. Like Swa-Shakti project it is also a scheme with women's orientation towards ownership of material, social and political resources. It is also working through SHGs and micro credit assistance. It was expected to cover all development blocks by the end of 2003-04 period.
6. Financial assistance to women's co-operative deals exclusively with economic empowerment. In this regard Mahila dairy programme is paving the way for women leadership. Aim of milk procurement was 118.08 litres during 2003 to 2004.

- *Increased self confidence, self esteem and autonomy*
- *Ability to articulate needs, make demands and enforce rights both as an individual and in groups*
- *Increased access to and control over economic and social resources and the political processes*
- *Improved quality of life*
- *Participation in planning and decision making process at family and community levels*
- *Increased capacity of partner organizations and adoption of improved financial and managerial practices by them for dealing with socially meaningful projects.*

7. Swarn Jayanti Gram Swarojgar Yojna is working also through SHGs with a blend of bank credit and government subsidy in rural areas for families living

below poverty line. Proposed physical target for Tenth plan under this scheme is 90000 women. For 2003-04 allocation was of Rs. 17.60 crores.

The vision of this project is to develop empowered women who will :

- *Demand their rights from family, community and government;*
- *Have increased access to, and control over material, social and political resources;*
- *Have enhanced awareness and improved skills; and*
- *Be able to raise issues of common concern through mobilization and networking.*

8. STEP i.e., Support to Training cum Employment Programme is also working for promotion of employment opportunities for women below poverty line. For annual plan 2002-03 outlay at Rs. 23.74 lakh was sanctioned by central government for covering 1200 beneficiaries.
9. National Maternity Benefit Scheme is launched under National Social Assistance Programme. A sum of Rs. 300.00 is provided to pregnant women for the first two live births. Old age pension scheme has made provision for pension upto Rs. 125.00 pm for women of 65 years and above. It was envisaged to cover 6.15 lakh old women during 2003 to 2004.
10. National Family Benefit Scheme is provided assistance of Rs. 5000 to Rs. 10000 in the event of death of the main bread earner of the family. 22000 families are proposed to get benefit during Tenth plan period.

- *Establishment of self-reliant women's Self-Help-Groups (SHGs);*
- *Creation of confidence and awareness among members of SHGs regarding women's status, health, nutrition, education, sanitation and hygiene, legal rights, economic upliftment and other social, economic and political issues;*
- *Strengthening and institutionalizing the savings habit in rural women and their control over economic resources;*
- *Improving access of women to micro-credit;*
- *Involving women in local level planning; and*
- *Convergence of services of DWCD and other departments.*

11. The state government with the help of World Bank and care runs the Integrated Child Development Scheme. It is a programme for helping women

technically and financially, in performing their roles in family especially as mothers. Anganwadi Centres provide institutional web for implementation of this programme, which provides assistance to improve nutritional, and health status of children below six years. It reduces malnutrition not only in children but also provide health security to pregnant and lactating mothers. Besides, early childhood education is another thrust area of this programme, in order to reduce drop out rate of school going children. Its last phase i.e. ICDS III was anticipated to be covered during a time span of five years for 1998-99 to 2003-04. For Tenth plan period an outlay of Rs. 779.47 crores. was proposed, including Rs. 312 crores for PMGY. Because child Nutrition programme has been included in the PMGY. During 2002-03 Rs. 85.50 crores was utilized in 17 projects and number of covered Anganwadi Centres (AWC) was 840. It was aimed to enlarge this figure up to 15600 AWCs during 2004-05 period, covering 13.08 lakh beneficiaries.

Plan Year	Outlay/ Expenditure (Rs. In Lakh)	No. of Projects	No. of AWC	Beneficiar-ies in Lakh
Tenth Plan Target/Achievement	77947.00	201	26010	21.85
Annual Plan (2002-03) Anticipated Achievement	8550	17	840	3.12
2003-04	8550.00	80	10400	8.72
2004-05	-	120	15600	13.08
2005-06	-	160	21800	17.44
2006-07	-	201	26010	21.85

II Empowerment of the Socially Disadvantaged Groups

Empowerment of Scheduled Castes:

The state of Uttar Pradesh has largest population of scheduled castes in India. SCs constitute for 21.4% of the total population of the state, which accounts for 1661 lakh as per 2001 census. Besides, inclination of poverty ratio is much more pronounced as regards SCs. Population living below poverty line constitutes 37.4% of total population of India, of which 48.9% accounts for SCs population. In Uttar Pradesh 40.85% and 59.20% stand for total population of BPL strata and SCs population of BPL strata respectively (1993-94 data).

Commitments of the 10th Plan:

1. To remove social discrimination of SCs and to implement programmes for both social & economic upward mobility.
2. To take legislative and socio-economies measures for protection of civil rights of the SCs.
3. To implement self-employment generating programmes.
4. To establish Technical training Centres and Industrial Technical Institute to provide education to the students of SCs in the identified area.

Social Empowerment:

1. Central core is formed by education, to accelerate the process of shifting concerns from welfare to upliftment where policy is aimed to ensure participation rather than making them beneficiaries merely. Total outlay for 10th plan is Rs. 90000 lakh, of which 61.97% i.e., Rs. 55781 lakh is reserved for education.
2. But as we focus on trend in education at annual plan level, picture is not quite satisfactory from 2002-05 during three plans expenditure for education shows only 45.66% of the proposed outlay. Total expenditure of 2002-03 and 2003-04 while proposed expenditure for 2004-2005 accounts in aggregate of only Rs. 25472.73. That means 54.34% of tenth plan outlay is reaming for next two plans.
3. As shown in table, education is considered as a whole term process in which desired targets are ranging from pre metric to post metric scholarships. Under the able of pre matric scholarships tenth plan target is aimed to reach to 4353565 SC's student. Against this target pace of annual plan 2002-03 & 2003-04 seems slow. Although state government seems determined to achieve the target, which can be seen in proposed target of 1077365 students for pre MS in 2004-05.
4. But conditions is not satisfactory as regards post MS. Achievement in 2002-03 and 2003-04 while proposed target of 2004-05 sum up only for 465631 students. There are 566369 students are more to attain the target of total 1032000 students

in 10th plan. It is clear that for last two years of 10th plan target becomes too egregious.

5. Need oriented approach rationalizes a few schemes, which can be considered plan vital for development for disadvantaged group in general and SCs in particular.

I. Construction of Ashram Type School (ATS)

Students are provided free education with free fooding, clothing, stationary and medical facilities under this scheme. As this is aimed to children whose parents are victims of extreme poverty. Against the tenth plan target of 50 A.T.S annual plan of 2002-03 is quite better in comparison to 2003-04 where achievement is confined to just 4 A.T.S. Although target is improved for 2004-05, but it is 14 in numbers.

II. Hostel for Boys & Girls

This facility is available for students who are unable to continue their higher education from class IX and above on village level. Condition before 10th plan shows us that 170 hostels in operation of which only 38 for girls. Speed of 10th plan from 2002 to 2004 is quite slow] where only 25 hostels have constructed. In 2004-05 the target is aimed to construct 35 hostels. This accounts for total 60 hostels which is too marginal against the target of 450 hostels.

III. Establishments & Construction of centers under coaching and allied services

Pre-examination coaching facilities for IAS, PCS, Engineering, Medical & other services are provided too Sc student also.

IV. Discretionary Grant

Discretionary Grant s for marriage of daughters & treatment of persons suffering from severe diseases is provided to SCs.

Economic Empowerment

Central Core- to increase job opportunities by promotion of self-employment.

Strategy- two folded

- i. Financial Assistance
- ii. Skill development schemes

1. In order to speed up the empowerment of SCs, the Special Central Assistance (SCA) is also provided in addition to the state plan outlay. SCA is being facilitated to several schemes related to income generation. For 2002-03 and 2003-04 sanctioned amount for SCA stand for 164.95 cr. and Rs. 168.86 cr. Respectively. For 2002-03 amount was utilized completely with total no of beneficiaries of 91077.

2. Ambedkar Village & Ambedkar Gram Vikas Yojna

Villages having largest SCs concentration are labeled as desired villages where various schemes of socio-economic development under Special Component Plan are being applied with in an integrated approach, entitled as Ambedkar Gram Vikas Yojna..

3. Specific Schemes of Employment Generation

Besides Ambedkar Village Yojna in which community approach is being emphasized, individual schemes are also provided to SCs and particularly those living below poverty line.

Self Employment Scheme

- Schemes under this section are being financially assisted either by Banks i.e. Bankable SES or by National Schedule Castes Finance & Development Corporations (NSFDC). Though the provision of subsidy and margin money loan are same in both cases. In Which 50 % of the project cost up to Rs. 10000/- is given as subsidy and 25% is given as margin money loan at 4% rate of interest or 2%-9% in case of NSFDC. For year 2004-05 physical target of bankable Self Employment Scheme is 111065 while it stands for 13935 in case of NSFDC scheme.

- In urban areas persons with their own commercial land are provided financial assistance to construct shops. Besides, corporation (U.P. Schedule Castes Finance And Development Corporation) Also make purchase of shops from private builders and other development authorities from SCA funds, to be allotted to SCs. This is a subsidy cum interest free loan scheme. For 2004-05 physical target for construction of shops-2000. While 200 shops for purchase.
- Various skill development schemes are also operating to cover unemployed SCs as well as scavengers & their dependents, the focus is on the changing scenario of employment market. In accordance with with the interest of choice training programmes are ranging from computer training to tractor repairing etc. Through Govt/Nongovt. Organization. Training would be free and stipend of Rs. 50-300 per month would be provided also. Physical target- 70819 (2004-05).
- Employment opportunities for enlisted scavengers and Their families by SUDA (state Urban Development Authority) would be implemented with the assistance of National Safai Karmachari Finance & Development Corporation (NSKFDC). This is a subsidy cum loan scheme] where loan for 15% of the project cost is given as margin money loan while remaining is given from the NSKFDC. Physical target for 2004-05 is 5000 beneficiaries.

Social Justice

Under the Scheduled castes and Scheduled tribes (prevention of Atrocities) Act, 1989 incidences of atrocities against SC person are provided to be registered. Social justice is an unassailable component of empowerment of socially disadvantaged groups, as this is the underline principle of equal treatment and equal opportunities to raise one's quality of life. In 2002 number of atrocities registered against SCs are 1696. After 2002 data is not available but registration in such figure assure us a serious falt as regards empowerment of historically subjugated lot. It invokes for serious concern.

Sl. No.	Major Heads	Tenth Plan outlay	Expenditure in 2002-03	Expenditure in 2003-04
1.	Direction and Adminstrating	2180.00	-	-
2.	Economic Development	5000.00	100.00	1385.06
3.	Financial Assistance to Public sector under-takings	7889.00	500.00	-
4.	Education	55781.00	4527.44	6417.31
5.	Other Expenditure	4100.00	998.82	542.24
6.	Other Schemes	15150.00	5458.19	1284.03
	Total	90000.00	11584.45	9628.64

Physical Targets and Achievements

Sl. No	Name of Scheme	Unit	Tenth Plan Target	Achievement in 2002-03	Achievement in 2003-04	Achievement in 2004-05
1.	Pre-matric Scholarship	No.	4353565	411554	913052	
	(i) Scheduled Castes	No.	180555	18988	33547	1077365
	(ii) Denotified Tribes					
2.	Post matric scholarship	No.	1032000	139888	125743	200000
3.	Hostel for boys and girls	No.	450	18	7	35
4.	A.T.S.	No.	50	15	4	14
5.	(i) Grant for marriage of daughters	No.	57500	888	13468	12562
	(ii) Grant for treatment against severe diseases	No.	5000	560	1496	

Financial

S. No	Programme	S.C.	D.T.	Total
1.	Direction and administration	500.00	-	500.00
2.	Economic development	1796.21	-	1796.21
3.	Financial assistance to PSU	500.00	-	500.00
4.	Education	14373.08	154.90	14527.98
5.	Other expenditure	1012.24	-	1012.24
6.	New Schemes	6063.50	-	6063.50
	Total	24245.03	154.90	24399.93

Physical

S. No.	Name of Scheme	Unit	Target
1.	Pre-Matric Scholarship	No.	1077365
2.	Post Matric Scholarship	No.	200000
3.	Construction of Hostels for Boys & Girls	No.	35
4.	Construction of A.T.S.	No.	14
5.	Grant for marriage and treatment of severe diseases	No.	21562

III Empowerment of Scheduled Tribes

In 2003 with the inclusion of 10 new tribes, total number of scheduled tribes in the state of Uttar Pradesh has become 12. After the formation of Uttaranchal state in 2001, only Tharu & Buxa were remained in UP. 12 STs constitutes population of 380815 in Uttar Pradesh. In which Tharu comprises major portion of 78030 persons while Parahia has minimum population of 460 only.

S.No.	Name of Tribes	Population of Scheduled Tribes
1	2	3
1	Tharu	78030 (Max)
2	Buxa	1875
3	Gond, Dhuria, Nayak, Ojha, Pathari, Rajgond	148029
4	Kharwar, Khairwar	61692
5	Saharia	18267
6	Parahia	460 (Min)
7	Pankha, Panika	15059
8	Baiga	13800
9	Agariya	9553
10	Pathari	577
11	Chero	24406
12	Bhuyia, Bhuniya	9067
	Total	380815

Objectives of the 10th Plan

1. Development of critical infrastructure, particularly upgradation and enhancement of Ashram Type Schools and hostels for boys & girls of STs.
2. Development of infrastructure facilities like transportation etc. in the tribal areas.

3. Protection from exploitation in the field of land transfer, money lending, debt bondage etc.
4. Promotion of socio-economic measures to enable tribal people to reach on par with the levels of development of the general population.
5. To create an impact in the economic field of such an order which enable all tribal families to cross the poverty line.
6. Monitoring of the schemes would be undertaken at district, division and headquarter levels.

Socio-Economic Empowerment:

1. As per 1993-94 data 37.4% of total Indian population living below poverty line of which 57.1% comprises for STs BPL population. While in Uttar Pradesh total BPL population is 45.3% in which 66.6% constitutes by tribal population living below poverty line. For economic upliftment of tribals different poverty line. For economic upliftment of tribals different poverty eradication schemes have been provided under Integrated Tribal Development Project, MADA projects etc. These schemes are associated with Agricultural, Horticulture, Animal Husbandry, Cottage & Village industries etc.
2. In order to solve socio-economic problems of tribals the state Government has applied the concept of Tribal Sub Plan (TSP) under the guidance of Govt. of India from 5th Five Year Plan. But to accelerate development process among tribals from 9th Five Year Plan allocation of outlays have been started in proportional terms of population.
3. In specific terms of 10 plan period from 2002-07, approach for tribal development is much more focused than previous. From 2002 onwards schemes which benefit the women & children are given priority. Besides schemes of non displacing manner are also preferred. Development of community assets, fund orientation under T.S.P. in terms of specific and felt needs of tribals are also among thrust areas. Protection of civil rights particularly in terms of proper rehabilitation of displaced tribals and effective

control on transfer of land by tribals to others are recognized as the unassailable issues in 10th plan.

4. New scheme for intensified TSP has also adopted from 2002. Schemes which are aimed to provide cent percent benefit to the community of STs shall be included under TSP. Besides, projects for infrastructure development in scheduled Tribes Basties shall be provided with cent percent outlay with TSP. As well as general schemes aimed at benefiting 0.06% or more population of ST only additional percentage of outlay over & above 0.06% would be counted towards TSP.
5. Out of Rs. 84233 crores of proposed outlay for state plan Rs. 5054 crores stands for allocated / quantified outlay under TSP during 10th plan period. For annual plan of 2002-03 and 2003-04 allocated/quantified outlay under TSP was Rs 4 crores,each.
6. Besides, Special Central Assistance is also provided to the state for further support to the measures of upliftment of STs. SPA sanctioned for 10th plan is Rs. 2.78 crores. During first two annual plans of this period sanctioned amount of SCA is Rs.32 crores each. While Annual plan 2004-05 has adopted strategy of promotion of participatory institution like SHGs and co-operations to sharpen the edge of tribal development. For these purposes 10th plan's approved outlay is Rs. 3295.00 lakh and an outlay of Rs 473.00 lakh proposed for 2004-05 period.
7. Scheduled tribes constitutes most vulnerable and sensitive section of socially disadvantaged classes, as there are not only socioeconomic problems but a decisive question of tribal' integration into mainstream is also prevailing. Committed staff is another crucial factor in the implementation of welfare programmes so a need is haunting to check the potential of voluntary organization in this regard.
8. With a purpose of conducting action oriented research and survey for the socio-economic, educational and cultural development of SCs, STs, denotified tribes and other backward classes, 'State Institute of Research and Training For scheduled Castes & Scheduled Tribes' was established in 1986-87. For

10th plan an outlay of Rs. 50.00 lakh have been approved by the state government. Physical target accounts for 40 research and evaluation studies, 100 training courses to benefit 3000 officials, ten seminars, 10 publication work and construction of office building. Annual plan 2004-05 has proposed outlay of Rs. 5.00 lakh.

IV Welfare of Minorities

Being a secular and democratic state India has applied a socially equitable scheme for development process wherein minorities constitute that section of socially disadvantaged groups which need special attention and opportunities to overcome from backwardness either socio-economic or educational. As per 1991 census six religions groups viz. Muslims, Christian, Sikhs, Buddhists, Parsis & Jainies comprise more than 18% of total population of the state as religions minorities.

Objectives assigned for Tenth Five Year Plan :

1. To promote educational upliftment among minorities by providing them educational facilities, added with the incentives, like scholarship schemes as well as to check the tendency of dropouts.
2. Promotion of new education system by modernization of Madarsas, providing facilities and incentives for inclusion of modern subjects of science, computer and English, so that students of Minorities can be brought in mainstream.
3. To strengthen the Waqf by developing its properties and increased income so that it may serve as a community asset to accelerate social welfare and modernization.
4. To raise the standard of girl education in educationally backward areas of minorities.
5. To inculcate measures of economic development through promotion of schemes of self employment and Margin Money Loan & Term Loan etc.

Socio Economic Empowerment:

1. As regards education facilities Pre-matric scholarship scheme has a proposed outlay of Rs. 1500.00 lakh for the tenth plan, while annual plan of 2002-03 it was Rs. 100 lakh. During second plan of 2003-04 expenditure for PMS was Rs. 1323.34 lakh aimed at physical target of 362570. For 2004-05 proposed outlay is Rs 1556.08 lakh for 425500 beneficiaries.
2. To provide new education system, expenditure for 'Opening Mini ITI in Madarsa Scheme' was Rs. 285.60 lakh during 2003-04 period. Though it has reduced to Rs. 150 lakh for annual plan of 2004-05.

S. No.	Name of Scheme	Expenditure for 2003-2004	Physical Achievements		
1	Pre-matric Scholarship (DS)	1323.34	362570	1556.08	425500
2	Share capital to U.P.W.D.C.	50.00	NA	50	
3	Opening of mini ITI in madarasa.	285.60	100	150	
4	Construction of vocational and professional training center at noida	110.72	1		
	Total	1769.66			

3. Grant is also provided by government to the Arabi-Farsi Madarsas for salary of teaching / non-teaching staff as these are primary education institutions preferred by minorities. Modernization of Madarsas is a centrally sponsored scheme wherein provision for Rs. 3000.00 for primary, Rs. 4000.00 for Madhayamik classes is being made as monthly scale. Besides Rs. 7000.00 is also provided for purchase of science/maths kit. Hietherto 772 Madarsas have been covered. In 2003-04 physical target was expected at 1,15,800 students including 46320 girls. During 2004-05 plan period Rs. 584.52 lakh is required to benefit 2.43 lakh students including 97200 girls.
4. For economic advancement Margin Money Loan is provided by the UP Minorities Finance & Development Corporation who desire the loan for

industry, business or agriculture. MML is 15% of the project cost, 75% of the total margin money by the bank as per rules or Rs. 45000 whichever is less at the rate of 7.5% per annum interest. Proposed target for MML in 2002-03 was Rs. 24.62 lakh. For 2003-04 and 2004-05 it scores for Rs. 400 lakh each.

5. Scheme for financial assistance are incorporated into Term Loan Scheme and Interest Free Loan, which stand for Rs. 175.07 lakh and Rs. 26.50 lakh respectively for 2002-03 period. During 2003-04 and 2004-05 period TLS account for Rs. 1000 lakh per year while IF loan remains also same at Rs. 50 lakh during both annual plans.

Scheme	2002-2003		2003-2004		2004-2005	
	Unit/Std.	Amt.	Unit/Std.	Amt.	Unit/Std.	Amt.
Margin money Loan	118	24.62	400	400.00	400	400.00
Pre-examination coaching.	335	19.85	350	25.00	350	25.00
Skill Improvement and vocational training.	1000	25.00	1000	25.00	500	25.00
Term Loan scheme.	5215	175.07	2600	1000.00	2600	1000.00
Swyam sahayta samooch	300	300.00	138	138.00	100	50.00
Interest free Loan	100	26.50	100	50.00	100	50.00
Rikshaw Scheme					3000	180.00
Educational Loan Scheme					350	120.00

6. As distinguished from other items one trend seems frustrating in terms of self-employment. On one hand tenth plan is considered more specific because of its participatory orientation towards beneficiaries but proposed target and outlay has been reduced successively. In 2002-03 amount for Swayam Sahyata Samooch Rs. 300 lakh against physical target of 300. It reduced to Rs. 138 lakh in 2003-04 against target 138. While it comes down to Rs. 50 lakh with physical target of 100 units in 2004-05. Although Rs. 180 lakh has proposed for transformation of Rikshaw-pullers to Rikshaw-owners in 2004-05 period.
7. For further strengthening of waqfs, UP Waqf Development Corporation is being operated through which efforts are being made to improve financial

condition of these institutions. During annual plan of 2003-04 expenditure of Rs. 50 lakh was made as share capital to UPWDC. The amount is same for period of 2004-05 i.e. Rs. 50 lakh.

8. During tenth plan period progress of some schemes are also not satisfactory. As construction of hostels for students and construction of Girls School Building are 100% centrally sponsored scheme. For construction of 13 hostels are pending with the Govt. of India. Besides, central share was also not released during 2003-04 period. Proposals for construction of school building for girls are also pending. It can be examined that both these programmes are crucial in the sense that these are meaningful and significant for students living in remote area, where students of minorities are abundant but facilities are not available.
9. Despite a few schemes with slow pace ambit of development is multidimensional which can be seen easily through the diverse coverage of development programmes. For welfare schemes for minorities proposed outlay is Rs. 5342.08 lakh during 2004-05 period.

V Welfare of other Backward Classes

Other Backward classes refer to that section of socially disadvantaged groups excluding scheduled castes/scheduled tribes which is socially, economically as well as in terms of education deprived and backward, in comparison to other classes of general population. As per estimation of the Social Justice Committee constituted by the State Government in 2000-01, the population of OBC accounts for 54% of the total population in rural areas of Uttar Pradesh. Estimating the population of OBCs in rural & urban areas as 54% of total population, it accounts for 8.966 crore in Uttar Pradesh.

Tenth Plan and Welfare of OBCs:

1. Prevention against exploitation of OBCs by facilitating socio-economic measures for their upliftment.
2. To promote educational facilities to cover more and more students belonging to OBCs, like hostel facilities for boys & girls, to establish book bank, to provide educational loan to those living below poverty line etc.
3. To raise the self-reliance among the women of OBCs living below the poverty line.
4. To ensure proper utilization of funds earmarked under scholarships.

Socio-Economic Empowerment:

1. As regards tenth plan for welfare of OBCs central concern is education, which is considered as the most significant factor in the development process. Schemes like Pre-matric and Post-matric Scholarships, book bank, construction of hostels are working for the purpose.
2. For the welfare of SC/ST & OBC tenth plan's proposed outlay is Rs. 906.00 cr i.e. 1.08% of the total proposed outlay. For backward classes in 2002-03 approved outlay was Rs. 188.00 lakh while anticipated expenditure Rs. 2037 lakh.
3. Pre-matric scholarship is limited in its range as it is to be given to only those students whose parents' annual income does not exceed to Rs. 24000. But to deal the welfare of OBCs on par with social equity it has been decided to give pre-matric to OBC students on the same rate and same terms & condition as being currently given to SC/ST. So from class 1 to 5 scholarship of Rs. 25.00 is available, class 6 to 8 it is Rs. 40.00 and from class 9-10 it has an amount of Rs. 60.00 per month. For the annual plan 2003-04, under the centrally sponsored scheme an outlay was allocated of Rs. 1916.96 lakh but out of which only Rs. 608.9 lakh were spent on 168956 students. For annual plan 2004-05 physical target is about 12160211 students with the proposed outlay of Rs. 43749.00 lakh under pre-matric scholarships.

S. No	Course/Class	Scholarship Rate P.M.	Qualifying Criteria of annual Income	Eligibility In months
1.	Class 1 to 5	Rs. 25.00	No limit	12 months
2.	Class 6 to 8	Rs. 40.00	No limit	12 months
3.	Class 9 to 10	Rs. 60.00	Rs. 30,000	12 months

4. For Post matric scholarship scheme, state government also decided to treat students of OBCs on the same criteria with same terms and condition as applied for SC/ST students. Owing to this effort now eligibility criteria expands from Rs. 24000 to Rs. 1.00 lakh per annum. Under this section proposed amount for annual plan 2003-04 was Rs. 5830. 71 lakh. For the year 2004-05 proposed outlay stands at Rs. 10971.00 lakh.
5. Construction of Hostels for OBCs is a centrally sponsored scheme of 50:50 ratio. Scheme is aimed to provide hostel facilities to OBC students who are below the creamy layer. Preference is given to the area where OBC students are in majority and also to those institutions who provide land free of cost. During tenth plan physical target is 140 hostels. Speed of implementation is too slow under this scheme. For first year i.e. 2002-03 expenditure was Rs. 200 lakh as state's share for construction of 11 hostels. During plan period of 2003-04 the amount and physical target both are same. While during 2004-05 proposed outlay is just Rs. 90.00 lakh. It is mainly due to paucity of funds and major population of this section. So serious efforts are still awaiting.

Group	Previous Rate				Present Rate			
	Rate P.M.		Income criteria	Duration in Month	Rate P.M.		Income criteria	Duration in Month
	Day Scholar	Hosteller			Day Scholar.	Hosteller		
A	190.00	425.00	24000	10	330	740	1 lakh	10
B	190.00	290.00	Do	10	330	510	Do	10
C	190.00	290.00	Do	10	185	355	Do	10
D	90.00	150.00	Do	10	140	235	Do	10

6. Other schemes like book bank facilities specially for technical courses where books are too expensive, coaching institutes for pre-examination of different courses are also working to spread their coverage.

7. Programmes of economic development like Self Employment Programmes and Margin Money Assistance are being implemented through UP Backward Classes Finance Development Corporation. For first annual plan 2002-03 NBCFDC has approved action plan of Rs. 26.25 crores but amount received of only Rs. 7.00 crores. For year 2003-04, approved action plan was Rs. 23.00 crores but released Rs. 5.50 crores only. Target was 7000 beneficiaries but achieved target was 1174 beneficiaries by disbursing Rs. 5.69 crores. For 2004-05 period approved action plan is just Rs. 16.00 crores for 3970 as physical target. But state government is aimed to achieve the target of 7000 beneficiaries. For which state government has made a budget provision of Rs. 1.00 crores for the purpose.
8. In Uttar Pradesh OBCs constitute a big lot so it is clear from the data, mentioned about that lack of adequate fund and big population of OBCs are intermingled in a big challenge to the development process. Therefore to raise funds for educational facilities to the desired strata, awareness towards corporate responsibility added with the incentives may facilitate an active potential in this regard by government.

Welfare of SC/ST & other Backward Classes				
Welfare of S.C. & others	Welfare of Backward Classes	Welfare of Minorities	Tribal Welfare	Training Institute
68701.33	5149.39	19729.81	358.68	5.89
2299.04	326.11	843.18	48.53	-
90000.00	15000.00	2500.00	3295.00	100.00
35952.82	500.00	750.00	2000.00	25.00
17904.00	1887.00	653.37	359.00	5.00
8975.80	85.00	50.00	200.00	1.25
17745.2	2037.00	653.37	359.00	5.00
8975.80	235.00	50.00	200.00	1.25
18000.00	1887.00	600.00	359.00	5.00
8587.37	85.00	100.00	200.00	1.25

Summing up and conclusion

Females with 47.33% of total population constitute 7.86 crore in Uttar Pradesh as per 2001 census. Sex ratio has increase up to 22 females since last decade, although it is still lower than sex ratio at national level, which stands at 933 in 2001 census. Sex ratio was 876 in 1991, which has increased to 898 in 2001. Figures of literacy rates also show a poor record that is 42.2% for female literacy against 68.8% male literacy in Uttar Pradesh. In worker population ratio women comprise only 16.3% of the aggregate, against 47.4% male ratio in 2001. Index on reproductive health places (RPI) Uttar Pradesh at the bottom with score of 22.8.

For women welfare sector, during tenth plan period 2002-07 total outlay stands for Rs. 30.00 crores. For first annual plan i.e., 2002-03 it was Rs. 7.10 crores against which total expenditure was Rs. 4.22 cr. In 2003-04 expenditure was Rs. 9.25 cr. Though the outlay was Rs. 13.03 crores, for annual plan 2004-05 has provided an outlay of Rs. 14.22 cr. The Tenth plan is specific and more focused on women welfare as it is aimed to treat development programmes with gender sensitivity to tackle more deprived women on priority level by providing social security through grant-in-aid schemes. Maintenance grants of Rs. 125.00 pm is provided to destitute women living below poverty line.

In non-plan expenditure 457994 women are being converted. In addition 36591 women were selected from Ambedkar villages during 2002-03. For 2003-04 period proposed outlay for the scheme was Rs. 552.52 lakh Grant-in-aid is also provided up to Rs. 10,000.00 for marriage of widows' daughters. For 2003-04 outlay was proposed of Rs. 19.00 lakh. Scholarship is also provided to girls of general category, who are pursuing higher technical and professional courses living below poverty line. Amount of scholarship is ranging from Rs. 50.00 to Rs. 425.00 pm. During 2003-04 outlay was proposed of Rs. 19.00 lakh for this purpose.

Provision is also made for construction and maintenance of observation Homes and Children Homes. These homes provide services like accommodation, medical facilities and opportunities for occupation as will. During 2003-04 period Rs. 18.48 lakh was

proposed as an outlay. Decision-making as well as financial assistance are incorporated with the active participation in project Swashakti. It is aimed to form Swashakti groups i.e. self-help groups, in which 10-20 members are included. Target group is provided financial assistance in the form of short-term loan on low interest rate. This is a centrally sponsored scheme for improving quality of life of strata living below poverty line. Project is working in 18 districts. Implementation is being done by the UP women development corporation and UP land Development Corporation. More than 5200 groups have been formed. Decision-making as well as financial assistance are incorporated with the active participation in project Swashakti

Decennial growth of SCs population is always higher than that of total population in the state. SCs population constitutes nearly 21 percent of the total population throughout the planning era. Literacy rate of the SCs is substantially lower than that of total population. Moreover, literacy rate of both male and female within SCs is also low to the corresponding male and female literacy rate of the total population. Female literacy rate is nearly $\frac{1}{4}$ of that of male within the SCs category and nearly $\frac{1}{3}$ of female in the total population category. Based on latest available information, population below poverty line in general and SCs in particular, score of UP remained always higher than that of all India level. Thus, poverty situation is very serious for SCs category, both at state and national level. Though the SCs constitute nearly 21 percent of the total population, yet the share of land holding (ownership in number) to total holding is only 16 percent and in area wise it is only 10 percent. It is evident from the fact that nearly 82 percent of SCs workers are engaged in primary sector, whereas it is nearly 70 percent for general workers. In other words, nearly 18 percent of SCs workers are engaged in both secondary and tertiary sector, whereas 30 percent of the general workers are engaged on both the sector.

STs Population constitutes nearly 0.1 percent in 2001 and decennial growth rate is lower than that of total population. Literacy rate of STs is always lower than that of total population. Nearly 85 percent of STs engaged in primary sector and only 15 percent occupy in both secondary and tertiary sector. Nearly, 70 percent of total ST main workers are cultivators, 13 percent are agricultural labourers and rest 18 percent are non-

agricultural labourers. However, nearly 66 percent Sts population live below the poverty line in 1993-94 in UP, whereas it is 57 percent at all India level.

Budget outlay and allocation

The budget allocation under state plan, the expenditure out of total outlay was nearly 91 percent in 9th plan, whereas it increased to 99 percent during 2002-03. The situation under special component plan (SCP) does not look bright, as only 56 percent of the outlay was spent during 9th plan, and it was 49 percent and 46 percent during 2002-03 and 2003-04 respectively. However, the share of SCP out of state plan outlay has increased from 19 percent in the 9th plan to 21 percent in 2002-03 and it remained constant at 21 percent 2003-04. On the other hand, the expenditure under SCP as a proportion to state plan has declined from 12 percent in 9th plan to 10 percent in 2002-03. Under state plan, the ratio of expenditure to outlay for STs similar to that of SCs, whereas under tribal sub-plan the ratio of expenditure has declined drastically from 62 percent in 9th plan to 6 percent in 2002-03 and 44 percent in 2003-04. However, TSP as a proportion to state plan varies from 4 percent to 7 percent during this period. Under Special Central Assistance (SCA) programme, there has been satisfactory performance between budget sanctioned and utilised. During the first two years of 10th plan shows nearly 132 percent and 94 percent of the budget sanctioned was utilised respectively.

Recommendations

Preferential planning for women can be considered as the most significant feature which may provide positive feedback to women empowerment constructively. Because empowerment defers from welfare in the sense of vibrant participation, measures regarding the policy mentioned above should be emphasized.

Either it is development programmes in general or women special programmes in particular, education and health have correctly been observed as basic areas for policy initiatives in the Tenth Five Year Plan. Both are big challenges for deprived class and specially in remote areas. But, our point is to mention education and health in process irrespective of output and outcome. In other words, measures regarding both these

resources should be compiled with specific periodical training schedule, so that it can move in self - propellant way.

As regard to health specific measures, integrated approach has been applied in first three annual plans. The approach seems prolific in principle but in practice it is too much complex. There is a need to make cross verifications so that implementation can be made beneficial the same way.

As far as socio-economic measures are concerned, participation has increased through SHGs, etc., no doubt, but there is need to facilitate this process with proper training schedules by committed and specially trained personnel in which, approach must be integrated, i.e., from proper utilization of fund to storage and marketing facilities as well.

What seems more hampering is the lack of proper fund and committed staff. The need of hour is to make corporate socially responsible so that fund may be raised through private enterprises as well, while NGOs provide better options for committed staff.

Social justice is still far away. Only increased participation associated with training can provide practicable solution. Before initiation of any programmes in a given area, consciousness boost up initiatives are required not only for SCs, STs, and OBCs but also for general population so that space for acceptance may be created.

Development process has become more delicate and fragile once we focus on tribal development. Most significant point is to remember that this section requires specially designed programmes associated with their felt need. Nothing can be done in hasty manner, as for them development is not just empowerment but firstly it demands for commitment to transcendence. It may lead to their socio-economic and cultural confusion in lack of proper seriousness.

CHAPTER XII

PLAN FINANCING, RESOURCE MOBILIZATION AND PRIVATE INVESTMENT

Introduction

In this chapter we have discussed issues related to plan expenditure, its link with growth rate, its composition, central plan assistance, resource mobilization by the state government and the trends in public debt, etc. and suggested measure for mobilizing resources. The chapter also discusses the recent trends in private sector investment in the state. We first start with a discussion of the trends in growth rate in SDP and their links with plan expenditure.

Growth Rate and Plan Expenditures

Growth rates in SDP in U.P. remained extremely sluggish during the first four five year plan periods, started picking up since the fifth plan period and caught up with the national growth rates in the sixth and the seventh plan period (Table 1). However, since the beginning of the nineties coinciding with the economic reform period, growth rate in U.P. dropped significantly and have not shown any signs of picking up in the current plan. *These fluctuations in the SDP growth are closely related to the level of plan expenditures in the states as can be seen from Table 2.* Thus, plan expenditure in U.P. as a percent of NSDP remained fairly low during the period 1951 to 1975. There was a quantum jump in plan expenditure levels from around 4.7 per cent of NSDP during the fourth Plan to over 7 per cent of NSDP during the Fifth, Sixth and the Seventh Five Year Plans. During this period growth rates also picked up. However, since early nineties there has been a sharp decline in the plan expenditure as per cent of NSDP, which is also reflected in a sharp decline in growth rates. There has taken places a marginal increase in plan expenditure ratio during the Tenth Five Year Plan. However, the ratio remains below the levels reached in the early seventies.

The decline in plan expenditure in its turn can be traced to the sharp deterioration in the fiscal situation in the state witnessed since early nineties. Due to the mounting

pressure of non-developmental expenditure on salaries, pensions and interest payment the government budgets have been running into continuous and high revenue deficit. Thus, the state government is not in a position to raise its expenditure on development plans and other priority sectors like education, health and infrastructure.

Table 1: Compound Annual Growth Rate of Total and Per capita Income in
U.P. and India Since 1951

Period	CAGR of Total Income (%)		CAGR of Per Capita Income (%)	
	Uttar Pradesh	India	Uttar Pradesh	India
1951-56	2.0	3.6	0.5	1.7
1956-61	1.9	4.0	0.3	1.9
1961-66	1.6	2.2	-0.2	0.0
1966-69	0.3	4.0	-1.5	1.8
1969-74	2.3	3.3	0.4	1.1
1974-79	5.7	5.3	3.3	2.9
1981-85	3.9	4.9	1.5	2.7
1985-90	5.7	5.8	3.3	3.6
1990-92	3.1	2.5	1.1	0.4
1992-97	3.2	6.8	1.4	4.9
1997-02	3.1	5.3	1.0	3.3

Source: Plan Documents, Government of Uttar Pradesh.

The economic slow down and fiscal crisis in the state are deeply interlinked. Low plan expenditure lead to low growth which in its turns reduces the growth in the government revenue. This further constrains the capacity of the state to increase plan expenditure, thus completing the vicious cycle. Thus, it is imperative to substantially raise the ratio of plan expenditure to GDP if growth rates are to be boosted up to meet the targeted growth rate.

Table 2: Total Plan Expenditure in U.P. Under Five Year Plans

Period	Plan Expenditure (Rs. Crores)	Plan Expenditure as per cent of NSDP
1951-56	153	2.05
1956-61	233	2.66
1961-66	561	4.53
1966-69	455	3.86
1969-74	1166	4.69
1974-79	2909	7.01
1979-85	7356	7.62
1985-90	11949	7.44
1990-92	7772	7.28
1992-97	21683	4.73
1997-98	5033	3.66
1998-99	5648	3.67
1999-00	5843	3.53
2000-01	5897	3.40
2001-02	5965	3.16
2002-03	6702	3.30
2003-04	7242	3.33
2004-05	9651	4.18

Source: Plan Documents, Government of Uttar Pradesh.

Note: Percentages from 1997-98 are in terms of GSDP.

Apart from the decline in plan investment levels in relation to SDP is the fact that the quality of public expenditure has sharply deteriorated. Thus, capital expenditure constituted only 7-8 percent of total government expenditure (plan and non-plan) in the nineties (Table 3). There has been some improvement since 2000-01, when the ratio of capital expenditure improved to 10 per cent. However, since then it has stuck at the same level. Thus, even though the size of the budget has been going up, capital formation through the public expenditure is quite low leading to stagnation in the growth rate of the economy. *For accelerating economic growth the capital content of government budget needs to be improved which will help in developing infrastructure in the state and attracting private investment.*

Table 3: Trends in Capital Expenditure in U.P.

Year	Capital Expenditure (in Rs. crore)	Capital Expenditure as % of Total Expenditure	Capital Expenditure as % of GSDP
1995-96	1129.35	6	1.06
1996-97	1435.41	7	1.12
1997-98	1667.64	7	1.21
1998-99	2096.96	7	1.36
1999-00	2533.34	8	1.53
2000-01	3267.55	10	1.88
2001-02	3555.56	10	1.88
2002-03	3794.39	10	1.87
2003-04	4985.22	11	2.29
2004-05	6320.15	10	2.74

Source: Computed from Budget Documents, UP Government

Apart from the overall decline of capital expenditure in the state budget, the composition of the plan expenditure has also undergone substantial change. Revenue expenditure now accounts for nearly half of the plan expenditure (Table 4). Thus, even the plan expenditure is not contributing much to the expansion of the productive capacity in the state. **This situation needs to be rectified by raising the capital component of the plan expenditure.**

Table 4: Revenue and Capital Component of Plan Expenditure in U.P. (Rs. Crore)

Item	2000-01	2001-02	2002-03	2003-04	2004-05 RE	2005-06 BE
Revenue Expenditure	3686.01	3564.48	3574.82	3276.00	6416.45	7090.44
As % Of total Expenditure	56.29	83.45	45.04	45.24	50.32	47.70
Capital Expenditure	2862.27	706.97	3361.37	3965.76	6334.70	7773.92
As % Of total Expenditure	43.71	16.55	42.35	54.76	49.68	52.30
Total Plan Expenditure	6548.28	4271.45	7936.19	7241.76	12751.15	14864.36

Source: Plan Documents, Government of Uttar Pradesh.

Plan Outlays and Expenditure

An area of concern is the large and growing gap between plan outlays and plan expenditure (Table 5). Thus, during the Eighth Plan the plan expenditure as percent of plan outlay was only around 80 per cent. This ratio further declined to around 70 per cent in the Ninth Plan. The utilization ration increased to 90.95 per cent in 2002-03 but came down again to 79.26 percent in the following year. One reason for poor utilization of plan allocations is that the annual plan outlays are based on unrealistically high estimates of resource mobilization. This also reflects poorly on the ability of the government departments to fully utilise the plan allocations. *Serious attention needs to be paid to identify the reasons for non-utilisation of plan funds and ensuring that plan outlays are fully utilized.*

Table 5: Year-wise Outlay & Expenditure (Rs. Crore)

Year	Approved Outlay	Actual Expenditure	Expenditure as % of Outlay
1	2	3	4
Seventh Plan			
1985-86	1750.55	1853.66	105.89
1986-87	2150.00	2163.02	100.61
1987-88	2629.65	2343.93	89.13
1988-89	2690.75	2664.82	99.04
1989-90	2970.81	2910.97	97.99
Annual Plans			
1990-91	3383.05	3208.22	94.83
1991-92	3892.01	3695.54	94.95
Eighth Plan			
1992-93	4039.92	3890.44	96.30
1993-94	4247.06	3432.78	80.83
1994-95	4760.06	4019.74	84.45
1995-96	5721.63	4436.25	77.53
1996-97	6774.03	5904.35	87.16
Ninth Plan			
1997-98	41910.00	28386.65	67.73
1998-99	6486.34	5032.92	77.59
1999-00	9234.96	5648.45	61.16
2000-01	10260.00	5843.24	56.95
2001-02	8122.00	5896.68	72.60
2002-03	8400.00	5965.36	71.10
Tenth Plan			
2002-03	7250.00	6593.74	90.95
2003-04	7728.00	6124.92	79.26
2004-05	9661.51	N.A.	N.A.

Source: Plan Documents, Government of Uttar Pradesh.

Note: Figures till Eighth Plan are for undivided U.P.

Total plan expenditure in the first two years of the Tenth Plan amounts to only 21.30 per cent of the total agreed outlay of Rs. 59,708 crore for the Tenth Plan. Even if the allocation for the year 2004-05 is fully utilised, total plan expenditure in the first three years of the Tenth Plan will not exceed 40 per cent of the plan size. *Thus, in the remaining two years of the plan determined efforts will have to be made to substantially increase the annual plan expenditure.*

Pattern of Plan Financing

We will now discuss the pattern of plan financing and the related issues. A brief outline of the proposed financing pattern of the Tenth Five Year Plan is presented in Table 6. Out of the proposed outlay of Rs. 59,708 crores the state was to contribute Rs. 24,298 crore or 40 per cent of the total outlay. However, in the agreed resource scheme the share of state amounted to only 16 per cent and 36 per cent during 20002-3 and 2003-04 respectively. The contribution of balance from current revenue was expected to be negative. The state proposed to raise resources mainly through withdrawals from provident fund, market borrowings and loans from financial institutions.

Against the proposed plan financing scheme, we find that in the first two years of the Tenth Five Year Plan negative BCR has exceeded the proposed BCR for the full plan. On the other hand, market loans have exceeded the proposed amount for the full period, whereas about 40 percent of PF and small borrowings have been utilized. Thus, while state's own contribution has been less than the proposed contribution, its dependence on borrowed sources of funds has exceeded the targets.

Central Plan Assistance

Plan assistance to U.P. has been shown in Table 7. Plan assistance in absolute terms shows a big jump after 2003-04. However, as a proportion of plan expenditure central plan assistance shows a marked decline in the current plan as compared to the ninth plan. While discussing the central assistance it is important to keep in mind the fact that central assistance consists of loans and grants in the ratio of 70:30. Figures for central plan loans have been shown in Table 8. **Thus, a large size of plan outlay and larger amount of central plan assistance leads to an increase in the indebtedness of**

the state, which is very high. In fact, total repayments to the centre (loan plus interest) from U.P. now exceed what the state gets as central assistance. Thus, there is a reverse flow from the state to the centre.

Table 6: Proposed Financing Pattern of the Tenth Five Year Plan and Agreed Resources for 2002-03 and 2003-04

Sl. No.	Item	Resources	(Rs. Crore)	
			Agreed Resources (2002-03)	Agreed Resources (2003-04)
	State's Own Resources (1 to 9)	24297.88	1148.93	3499.47
1.	Balance from Current Revenue (BCR)	-9562.47	-6208.66	-3881.23
2.	Contribution of Public Enterprises	-1080.69	-883.29	25.59
	(i) SEB		-978.56	
	(ii) SRTC		104.27	
3.	State Provident Funds	8660.99	1784.48	1574.03
4.	Misc. Capital Receipts	-2687.61	-223.90	-126.75
5.	Small Saving	18281.17	3890.41	3480.00
6.	Upgradation grants for capital works	198.32	108.04	160.19
7.	Grant for Local Bodies	1207.99	279.01	
8.	Market Borrowings	4893.33	1489.55	1637.48
9.	Negotiated Loans	4386.85	913.29	630.26
	(a) Normal		446.86	
	LIC/GIC		343.23	
	REC		71.22	
	IDBI		32.41	
	(b) Additional (RIDF)		466.43	
	Central Support (10-24)	35410.12	6101.07	6162.04
10.	Normal Central Assistance	12680.62	2379.81	3120.26
11.	Additional CA for PMGY	2082.83	370.87	370.87
12.	Assistance Under AIBP	1825.00	365.00	275.00
13.	Additional CA for BADP	41.60	8.32	8.32
14.	Additional CA for Roads and Bridges	482.15	96.43	80.61
15.	Additional CA for EAP	14889.32	2085.00	1323.15
16.	Rashtriya Sam Vikas Yojana			315.00
17.	Assistance under Slum Development	200.50	40.10	42.79
18.	Additional CA for TSP	1.60	0.32	0.29
19.	Grand under Art.275(1)	1.35	0.27	0.30
20.	ACA for National Social Assistance Prog.	493.30	98.66	98.64
21.	ACA for Accelerated Power Dev. Restructuring Prog. (APDRP)	1512.20	302.44	179.82
22.	ACA for Rural Electrification	755.00	151.00	151.00
23.	ACA for Initiative for strengthening Urban Infrast. (ISUI)	302.25	60.45	60.45
23.	Nutrition Programme for Adolescent Girls			6.01
24.	One time ACA	142.40	142.40	129.53
	Total Resources	59708.00	7250.00	9661.51

Source: Plan Documents, U.P. Government.

Table 7: Central Plan Assistance to UP (Rs. Crore)

Item	2000-01	2001-02	2002-03	2003-04	2004-05 RE	2005-06 BE
Assistance for State Plan Schemes	1890.33	1994.15	1222.94	1346.53	1972.83	2283.11
Assistance for Central Plan Schemes	187.00	79.53	123.21	36.29	11.15	10.60
Assistance for Centrally Supported Schemes	391.16	764.72	537.62	529.66	1688.85	1454.74
Total Plan Assistance	2468.49	2838.40	1833.77	1912.48	3672.83	3748.45
Total Plan Expenditure	6548.28	4271.45	7728.00	7241.76	12751.15	14864.36
Plan Assistance as % of Plan Expenditure	37.70	66.45	24.38	26.41	28.80	25.22

Source: Plan and budget documents, U.P. government.

Table 8: Central Plan Loans to UP (Rs. Crore)

Item	2000-01	2001-02	2002-03	2003-04	2004-05 RE	2005-06 BE
For State Plan Schemes	3187.48	2613.50	3061.66	3058.70	3759.71	4343.95
For Central Plan Schemes	0.02	0.00	0.02	0.04	0.00	0.00
For Centrally Supported Schemes	66.83	84.28	0.00	20.53	0.00	4.00
Total Central Loans	3254.33	2697.78	3061.68	3079.27	3759.71	4347.95
Total Plan Expenditure	6548.28	4271.45	7728.00	7241.76	12751.15	14864.36
Central Loans as % of Plan Expenditure	49.70	63.16	39.62	42.52	29.49	29.25

Source: Plan and budget documents, U.P. Government.

Contribution of Small Savings

As the state has been continuous incurring revenue deficit, there is no balance from the current revenue for plan financing. Thus, the state is relying upon borrowing to finance its share of plan expenditure mainly in the form of borrowings against national small saving schemes. The contribution of small savings to plan expenditure was 26.54 per cent and 35.28 percent of plan expenditure during the Eighth Plan and the Ninth Plan

respectively. But it shot up to 62.14 percent in 2002-03 and further to 77.54 per cent during 2003-04 (Table 9). It is likely to come down to 56.32 per cent during 2004-05 and projected at 42.92 percent in the 2005-06 budget.

Table 9: Contribution of Small Savings to Plan Expenditure in UP

Item	8 th Plan (1992-97)	9 th Plan (1997-02)	2002-03	2003-04	2004-05 RE	2005-06 BE
Total Plan Expenditure/outlay	21683.56	46248.88	7241.76	7728.00	12751.15	14864.36
Loan against NSS	5841.56	16364.29	4500.00	5992.00	7181.50	6380.00
% of NSS loans to Total Plan Outlay	26.94	35.38	62.14	77.54	56.32	42.92

Source: Budget documents, U.P. Government

Taking the central government plan loans and other borrowings of the state government, we find that **almost three-fourth of total plan expenditure in the state is being financed through borrowing and the remaining one-fourth through central grant. The plan expenditures are thus contributing to the increase in the public debt of the state, which is already very high.** The situation is all the more worrisome because of the fact that almost half of the plan expenditure is in the nature of revenue expenditure, which is not likely to generate resources for repayment of the loans. This brings us to the issue of increasing public debt and its sustainability.

Sustainability of Public Debt

Due to its mounting expenditure the state government has been resorting to heavy borrowing. The state budgets for the past two decades have been continuously running huge revenue and fiscal deficits. The ratio of deficits to SDP has been going up (Table 10). In the recent years covering the Tenth Plan period the ratio of revenue deficit has hovered around 3 per cent and that of fiscal deficit around 5 per cent of SDP. A concerting feature of the deficits has been that a large part of the borrowings is being spent on revenue expenditure, which does not add to the productive capacity of the state or the revenue earnings of the government.

Table 10: Trends in Revenue and Fiscal Deficit in U.P: 1991-2006

Year	Revenue Deficit			Fiscal Deficit	
	Rs. Crore	As % of SDP	As % of FD	Rs. Crore	As % of SDP
1991-92	724.59	1.1	26	2836.50	4.4
1992-93	1014.56	1.4	27	3710.93	5.2
1993-94	1148.72	1.4	36	3165.77	4.0
1994-95	2000.74	2.2	42	4766.50	7.3
1995-96	2340.65	2.3	53	4380.61	3.8
1996-97	3179.13	2.2	53	5956.20	4.3
1997-98	4623.91	3.6	61	7575.96	5.1
1998-99	8696.16	5.1	75	11632.53	6.8
1999-00	7252.61	3.9	65	11098.73	5.9
2000-01	6289.31	3.3	62	10179.52	5.6
2001-02	6181.80	3.4	62	9898.13	5.3
2002-03	5117.32	2.6	54	9496.91	4.9
2003-04	6305.75	2.8	59	10776.25	4.9
2004-05 (RE)	7176.47	3.1	52	13686.25	5.9
2005-06 (BE)	5403.47	2.1	40	13532.58	5.3

Source: U. P. Government, *White Paper on Budget 1998-99, Part-II and Budget Papers, 2005-06*.

Note: Revenue deficit figures for 2003-04 exclude the underwriting of loans of Rs. 12277.40 crore to UPSEB and Fiscal deficit figures for 2003-04 exclude the power bonds amounting to Rs. 5871.86 crores.

As a result of the continuous reliance on borrowings to meet state expenditure the indebtedness of the state has sharply increase both in the absolute and the relative terms. Total debt of the state government is projected to touch the figure of Rs. 1,30, 000 crore (Table 11). The ratio of debt to SDP now is the highest among Indian states at over 50 per cent. Debt servicing ratio to revenue receipts is as high as 46 per cent during 2004-05. Interest payment alone now amounts to almost 30 per cent of the revenue expenditure,

thereby, squeezing the capacity of the state to spend on priority sectors. The Twelfth finance Commission in its fiscal restructuring programme has suggested that the debt-SDP ratio of states should come down to 28 per cent and interest payment/ revenue expenditure ratio to 15 per cent by 2009-10.

Table 11: Trends in Liabilities of State of Uttar Pradesh: 1991-2006

Year	Outstanding Liabilities (Rs.Crores)	As per cent of GSDP
1990-91	17966	32.4
1991-92	21101	32.6
1992-93	24157	34.2
1993-94	26920	33.9
1994-95	31658	35.1
1995-96	36145	31.2
1996-97	41768	30.2
1997-98	48365	32.6
1998-99	55952	32.8
1999-00	65135	34.7
2000-01	72766	40.2
2001-02	83011	44.4
2002-03	91182	41.6
2003-04	105407	48.9
2004-05	116794	49.9
2005-06	129155	51.4

Source: U. P. Government, *White Paper on Budget 1998-99, Part-II and Budget Papers, 2005-06.*

The state has been gradually falling into debt trap as it has to borrow more to repay the past loans. This is obvious from the fact that debt serving as a ratio of debt receipts amounted to 87 per cent during 2000-01 and to 107 per cent of debt receipts in 2004-05. In other words the government is no longer in a position to service its debt from its own borrowing.

The present debt levels are clearly not sustainable. The state government is required to take firm and time bound measures to raise its resources and reduce the dependence on borrowing to finance its plan and non-plan expenditure. It is encouraging to note that the state government is aware of the gravity of the fiscal situation and has passed the Fiscal Responsibility and Budget management Act in the

year 2004, becoming the fifth state to do so. What is needed is that the government should strictly adhere to the fiscal targets laid down in the FRBM Act.

Debt Relief Measures

Following the recommendations of the Eleventh Finance Commission Report a debt swap scheme was introduced under which the states were allowed to swap the earlier high cost debt by fresh low cost debts. Under the debt swap scheme U.P. government was able to swap total loans amounting to Rs. 11364.31 crore during the years 2002-03, 2003-04 and 2004-05 taken together. Out of this Rs. 5242.80 crore were out of small savings and Rs. 6121.51 through additional market borrowing. The debt swap will reduce the burden of interest payment in the years to come. However, it has added to the liquidity constraint on the state government in the short run. It has raised the debt servicing to new debt ratio on the one hand and restricted the availability of NSSF borrowings for plan purposes.

The Twelfth Finance Commission has recommended a package of debt relief for the states. Under this package all the central loans to the state government as on 31st March 2005 will be merged and rescheduled with a maturing period of twenty years on which a rate of interest of 7.5 per cent will be charged. It has been estimated by the Finance Department, U.P. Government that this will lead to a saving in interest of Rs. 3133 crores and will reduce the annual repayment liability by Rs. 1533 crores over the award period. The states will be eligible for debt write off if they reduce their revenue deficit over the award period. U.P. can claim a debt write off to the tune of Rs. 4020 crores over the award period. To benefit from the debt write off scheme U.P. Government will have to make determined efforts to reduce its revenue deficit.

The New Debt Regime

It needs to be mentioned here that that *the system of central assistance will undergo a change from the year 2005-06 following the recommendation of the Twelfth Finance Commission to stop on lending to states by the centre.* No plan assistance will be only in terms of plan grants and on lending by centre swill be stopped. This may be a blessing in disguise as it will restrict the growth of public debt of the state. The window

of loans from NSS Fund is open to the government to meet its debt requirements. However, it is a costly debt with current interest rate at 9.5 per cent.

The state government has now to gear itself for meeting the challenge of the new debt regime. It will have to go to the market for borrowing. *The whole approach to plan financing has to undergo a change. Borrowing should be restricted to the economically and financially viable and bankable projects.* There is no escape from mobilization of additional resources through non-debt sources to meet the expenditure requirement of the government for plan and non-plan purposes. We now turn to a discussion of the performance of the state government in resource mobilization.

Resource Mobilisation Efforts of the State Government

Table 12 shows the trends in revenue from different taxes since 2001-02, while Table 13 shows the annual increase from tax revenue. In the first three years of the Tenth Plan state governments tax revenue from own sources has gone up by about Rs. 5,350 crore or by Rs. 1700 crore annually. The state tax revenue has increased at a fairly high rate of about 15 per cent per annum, which can be termed as satisfactory. However, performance in terms of individual taxes has been uneven. While revenue from stamp and registration duties has increased at a rate of 21.5 per cent per annum, the rate of increase was around 13 per cent per annum in case of excise and trade tax and only 4.75 per cent per annum in case of entertainment tax. On the other hand, motor vehicles tax shows a negative trend.

Tax/SDP ratio continues to be very low in U.P. After registering an increase of about 0.75 per cent points in 2002-03, tax/SDP ratio has stagnated at around 6.3 per cent. Non-tax revenue, on the other hand, show a very modest growth of 6.11 per cent per annum and the ratio of non-tax revenue to GDP, which was slightly less than 1 per cent has declined further. The recent roll back in user charges in education and health sector has an adverse impact on state finances.

If the targets of reduction in revenue and fiscal deficits laid down in the FRBM ACT have to be met, *a bold strategy of resource mobilization through tax and non-tax*

sources has to be adopted along with a restrain on the growth of non-development expenditure. A few suggestions are offered in this regard:

1. There is a vast unrealized potential of increasing land revenue, which has remained unchanged for quite some time. Even if 1 per cent of gross income from agriculture is realized as land revenue it can increase state revenue substantially.
2. The introduction of profession tax can yield substantial revenue.
3. There is large scale evasion of trade tax. Effective tax administration coupled with raids and seizures in case of tax evaders can help raise revenue from this tax.
4. Revamp of property tax in the urban areas also holds promise for raising resources to strengthen the finances of the local bodies.
5. User charges for the economic and social services should be rationalized and gradually enhanced.
6. Subsidies of various types should be gradually phased out.
7. Government should adopt a transparent and time bound policy of privatisation/closure of loss making undertakings and corporations.
8. Government should undertake strict measures for curbing its unproductive and wasteful expenditure and restrict the growth in public expenditure.

Table 12: Trends in Own Tax and Non-Tax Revenue: 2000-01 to 2005-06

Items	2001-02	2002-03	2003-04	2004-05 RE	2005-06 BE
State Taxes and Fees					
Land Revenue	72.93	64.23	117.67	75.00	76.50
Stamp and Registration Fees	1429.29	2078.68	2296.06	2564.00	2928.00
Excise Duties	1961.38	2555.05	2472.37	2800.00	3200.00
Sales Tax/Trade Tax	6163.10	7123.74	7684.13	9000.00	10524.00
Taxes on Vehicles	503.04	618.84	676.96	429.77	588.74
Taxes on Goods and Passengers	76.65	77.33	80.21	494.47	653.00
Taxes and Duties on Electricity	9.22	145.29	174.72	191.51	194.99
Entertainment Tax	100.04	100.02	92.78	115.00	120.00
Total Tax Revenue	10319.32	12766.90	13601.22	15675.10	18290.58
Non- Tax Revenue	1787.07	1913.49	2282.08	2135.35	2247.19
Total Own revenue (A+B)	12106.39	14680.39	15883.30	17810.45	20537.77
GSDP (Rs. Cröre)	188687.08	202903.95	217432.00	246829.00	279065.00

Source: U.P. Budget in Outline (Annual) and Budget Papers 2005-06

Table 13: Annual Growth of Own Tax and Non-Tax Revenue: 2001-02 to 2005-06

Items	2002-03	2003-04	2004-05 RE	2005-06 BE	CAGR(%) 2004-05 over 2001-02
State Taxes and Fees					
Land Revenue	-11.93	83.20	-36.26	2.00	0.94
Stamp and Registration Fees	45.43	10.46	11.67	14.20	21.51
Excise Duties	30.27	-3.24	13.25	14.29	12.60
Sales Tax/Trade Tax	15.59	7.87	17.12	16.93	13.45
Taxes on Vehicles	23.02	9.39	-36.51	36.99	-5.11
Taxes on Goods and Passengers	0.89	3.72	516.47	32.06	86.16
Taxes and Duties on Electricity	1475.81	20.26	9.61	1.82	174.89
Entertainment Tax	-0.02	-7.24	23.95	4.35	4.75
Total Tax Revenue	23.72	6.54	15.25	16.69	14.95
Non- Tax Revenue	7.07	19.26	-6.43	5.24	6.11
Total Own revenue (A+B)	21.26	8.19	12.13	15.31	13.73
GSDP (Rs. Crore)	7.53	7.16	13.52	13.06	9.37

Source: U.P. Budget in Outline (Annual) and Budget Papers 2005-06.

Table 14: Total Own Revenue as Percent of GSDP: 2001-02 to 2005-06

Items	2001-02	2002-03	2003-04	2004-05 RE	2005-06 BE
State Taxes and Fees					
Land Revenue	0.04	0.03	0.05	0.03	0.03
Stamp and Registration Fees	0.76	1.02	1.06	1.04	1.05
Excise Duties	1.04	1.26	1.14	1.13	1.15
Sales Tax/Trade Tax	3.27	3.51	3.53	3.65	3.77
Taxes on Vehicles	0.27	0.30	0.31	0.17	0.21
Taxes on Goods and Passengers	0.04	0.04	0.04	0.20	0.23
Taxes and Duties on Electricity	0.00	0.07	0.08	0.08	0.07
Entertainment Tax	0.05	0.05	0.04	0.05	0.04
Total Tax Revenue	5.47	6.29	6.26	6.35	6.55
Non- Tax Revenue	0.95	0.94	1.05	0.87	0.81
Total Own revenue (A+B)	6.42	7.24	7.30	7.22	7.36
GSDP (Rs. Crore)	100.00	100.00	100.00	100.00	100.00

Source: U.P. Budget in Outline (Annual) and Budget Papers 2005-06

Private Investment

The Tenth Plan was based on the premise that 60 per cent of investment during the plan period will come from the private sector. It is not possible to have a full and clear picture of the total private investment in the state in the absence of the availability of the required data. Some assessment of the private investment activity can, however, be made with the help of the trends in the institutional loans and investment by the corporate sector on which some information is available.

Table 15 shows the trends in bank lending in U.P. in the past decade. Bank loans show an erratic trend. The growth in bank loans was 24.4 per cent during 2001-02. It came down to 15.5 per cent in 2002-03 and sharply fell next year to only 1.4 per cent. The table also reveals that the growth in bank credit has in most of the years fallen short of the growth in bank deposits. This is reflected in the decline in credit-deposit ratio, which is hardly around 30-31 per cent much behind the national average. Another striking fact to be noted is that bank loans in U.P. amount to hardly 6-7 per cent of total bank loans in the country, whereas U.P. contributes to over 10 per cent of total deposits. These trends are indicative of the relatively low volume of economic activity in the state and its inability to utilize the savings beings generated in the state. *Concerted efforts are needed to improve the credit-deposit ratio in the state.*

Table 15: Trends in Bank Loans and Deposits in U.P.

Year	Bank Branches (NOs.)	Bank Credit (Rs. Crore)	% change over previous year	As % to All India	Bank Deposit (Rs. Crore)	%change over previous year	As % to All India	Credit Deposit Ratio (%)	As % to All India
1995-96	8854	14614	8.76	5.73	41777	15.85	9.8	34.20	55.25
1996-97	8897	17083	16.9	6.00	49260	17.91	9.84	33.68	59.29
1997-98	8978	19636	14.95	5.95	59992	21.79	10.05	32.73	59.18
1998-99	9072	21872	11.39	5.71	70358	17.28	10.07	31.09	56.75
1999-00	9063	25514	16.65	5.54	82675	17.51	10.06	30.86	55.10
2000-01	8254	27193	6.58	5.05	85373	3.26	8.99	31.06	54.77
2001-02	8324	33826	24.39	5.15	98520	15.4	8.76	33.46	57.31
2002-03	8312	39084	15.54	7.49	108685	10.32	11.32	29.02	53.40
2003-04	8213	39634	1.41	6.39	119333	9.8	10.47	31.37	57.68

Source: Reserve Bank of India, Handbook of Statistics on the Indian Economy

The picture with respect to loans from the national term lending financial institutions is even more dismal. The level of loans sanctioned and disbursed by the

financial institutions has come down to almost one-fourth of what it was in 2000-01. The share of U.P. in total loans disbursed by financial institutions has sharply declined from around 8 per cent in the mid-nineties to less than 4 per cent in the late nineties and stood at a paltry 3.17 per cent in 2002-03 and only 1.89 per cent in 2003-04. These figures are indicative of the poor investment climate in U.P.

Table 16: Trends in Credit from Financial Institutions to U.P.

Year	Sanctions		Disbursed		Uttar Pradesh as% of All India
	Rs. Crore	% change	Rs. Crore	% change	
1995-96	4520	53.01	2773	41.97	7.97
1996-97	3363	-25.6	2962	14.47	6.94
1997-98	2724	-18.99	2411	-33.17	4.47
1998-99	3280	20.42	2176	-3.09	3.84
1999-00	3472	5.83	2602	11.7	3.87
2000-01	3588	3.33	2686	1.34	3.65
2001-02	1709	-52.35	1661	-39.49	2.79
2002-03	841	-50.79	813	-46.84	3.17
2003-04	869	3.23	659	-23.47	1.89

Source: Statistical Diary, U.P.

Proposed corporate investment registered a decline between the years 1996-97 and 2000-01, but shows signs of picking up after that (Table 17). Between 2001-02 and 2003-04 proposed investment jumped by as much as Rs. 20,000 crore. This is, however, not reflected in the actual investment as the rate of implementation shows a decline from around 47 per cent to around 36 per cent over this period. *If the proposed investment fully materializes it will make a substantial impact on the state economy. Efforts should be made to identify the factors that are retarding the pace of implementation of proposed projects and to remove them expeditiously.*

Table 17: Project Investments Outstanding in U.P.: 1995-2004

Year	Proposed Investment (Rs.crore)	Change over Previous Year (Rs.crore)	Under implementation (Rs.crore)	Rate of Implementation (%)
1995-96	58928		22363	37.95
1996-97	62077	3149	28229	45.47
1997-98	50680	-11397	19808	39.08
1998-99	48473	-2207	15257	31.48
1999-00	54514	6041	23425	42.97
2000-01	53464	-1050	23841	44.59
2001-02	59739	6275	28050	46.95
2002-03	69404	9665	24275	34.98
2003-04	72906	3502	26710	36.64

Source: Centre for Monitoring Indian Economy, Monthly Reports, U.P.

U.P. is attracting a very paltry amount of investment by domestic and foreign investors. As on August 2004, the number of projects being implemented in U.P. was 438 involving an investment of Rs. 18,098 crore, amounting to 7.8 per cent and 9.5 per cent respectively of total projects and investment in India as a whole (Table 18). However, during 2003-04 U.P. share in IEMs was only 5.62 per cent and that of investment only 1.4 per cent.

Table 18: IEMs being implemented in U.P. and India

Number and Type of Projects and Proposed Investment	Uttar Pradesh	All India	% share to All India
IEM's Filed (April 2003-March 2004)			
Number	232	4130	5.62
Investment (Rs.Crore)	2149	154931	1.39
Under Implementation as of August 2004			
Number	438	5631	7.78
Investment (Rs.Crore)	18098	189867	9.53

Source: Centre for Monitoring Indian Economy, Monthly Reports, U.P.

U.P.'s share in foreign direct investment is even less. Thus U.P. attracted only 38 FDI proposals during 2003-04 involving an investment of Rs. 102.32 crore. Thus, the number of proposals and investment involved were hardly 2.0 per cent and 1.5 per cent of all India proposals and investment respectively (Table 19). *Our analysis indicates that*

the efforts to attract outside investment to U.P. are not showing the desired results. An in-depth analysis of the factors involved is urgently called for.

Table 19: Foreign Direct Investment Approvals in U.P. and India during 2003-04

Number and Type of Projects and Proposed Investment	Uttar Pradesh	All India	% share to All India
Technical (Nos.)	13	299	4.35
Financial (Nos.)	25	1630	1.53
Total (Nos.)	38	1929	1.97
Investment (Rs. Crore)	102.32	6833.31	1.50

Source: Centre for Monitoring Indian Economy, Monthly Reports, U.P.

Summing Up

Our analysis of the plan investment and their financing leads to the following conclusions:

- Since early nineties there has been a sharp decline in the plan expenditure as per cent of NSDP, which is also reflected in a sharp decline in growth rates. The decline in plan expenditure in its turn can be traced to the sharp deterioration in the fiscal situation in the state witnessed since early nineties. The economic slow down and fiscal crisis in the state are deeply interlinked.
- An area of concern is the large and growing gap between plan outlays and plan expenditure. Even if the allocation for the year 2004-05 is fully utilised, total plan expenditure in the first three years of the Tenth Plan will not exceed 40 per cent of the plan size.
- Taking the central government plan loans and other borrowings of the state government, we find that almost three-fourth of total plan expenditure in the state is being financed through borrowing and the remaining one-fourth through central grant. The plan expenditures are thus contributing to the increase in the public debt of the state, which is already very high.
- The ratio of debt to SDP now is the highest among Indian states at over 50 per cent. Debt servicing ratio to revenue receipts is as high as 46 per cent during 2004-05. Interest payment alone now amounts to almost 30 per cent of the revenue expenditure, thereby, squeezing the capacity of the state to spend on

priority sectors. The whole approach to plan financing has to undergo a change. Borrowing should be restricted to the economically and financially viable and bankable projects.

- The situation with respect to institutional finance in U.P. is not satisfactory. Bank loans in U.P. amount to hardly 6-7 per cent of total bank loans in the country, whereas U.P. contributes to over 10 per cent of total deposits. The picture with respect to loans from the national term lending financial institutions is even more dismal.
- U.P. is attracting a very paltry amount of investment by domestic and foreign investors.
- A bold strategy of resource mobilization through tax and non-tax sources has to be adopted along with a restraint on the growth of non-development expenditure so that development expenditure in the vital sectors can be increased.
- Factors responsible for low rate of domestic and foreign investment and for their poor implementation rate should be identified and corrective measures introduced urgently to boost the level of investment needed to boost up the growth rate of the state economy.

CHAPTER XIII

GOVERNANCE REFORMS IN UTTAR PRADESH

1. The link between good governance on the one hand and sustainable as well as equitable economic and social progress on the other has become increasingly evident world over in recent decades. Whatever be the political and economic choices made by the state, good political and administrative governance. Good economic governance and good civic governance are the sine quo non of human development. This is where governance reforms assume significance, import and urgency.

2. What is governance? How can we broadly define it? There is wide-based recognition amongst experts of the proposition that governance is how an organization steers itself and the institutions, processes and structures that are used to achieve its goals. Governance is also, in broader and integrated contexts, crucially concerned with how organizations (e.g. institutions, departments, hierarchies, security and enforcement agencies, legal entities, service providers, etc.) relate to each other, how they relate to citizens and the way in which citizens are given a voice.

3. The notion that too much government is not good may have some merit but let us be very clear here that good governance is unexceptionable. Good government does not necessarily mean less government. It is true that governments need not do those things that people can better do themselves. The essential duty of a government is to provide security, ensure peace and order, and create conditions for knowledge, good health, entrepreneurship and people's advancement, and, effectively and equitably, implement what is called the social contract and deliver it at efficient costs, without discrimination and within determined time frames. Unfortunately governments have tended to become sluggish. Vast, much layered and proliferating organisations that often are centralised political systems and bureaucracies preoccupied with hierarchies, rules, procedures, and compartmentalized decision-making, and subject to incessant political pressures and manipulations. In the process they have become less responsive, highly costly and poorly accountable. The critical issue, therefore, is how can governments and institutions be made flexible,

performing, caring, equity-led, transparent, responsive and readily accountable? How can government at all levels and their institutional arms become innovative, participatory and decentralized? These are the important questions that need to be asked and answered if reformed governance is to be sought and achieved.

4. THE NATIONAL SCENE

When India became independent it chose parliamentary democracy as the mode of its polity. To the goals of democracy and republicanism were later added two distinct markers, namely secularism and socialism. We started with the mixed-economy model which was underpinned by strong foundations of central planning and a powerful, commanding public sector. This model did not deliver growth in the required measure; nor equity either. In 1980s a gradual but perceptible shift began in the direction of opening up the economy. Then came a distinct, vigorous and path-breaking push in 1991 towards a liberalised economic model. The 73rd & 74th Amendments were enacted in 1992 to give constitutional recognition to PRIs/ULBs and indicate their functional assignment. It was felt that unless multi-sectoral and multi-institutional reforms were undertaken parallelly with speed, determination and dynamism, the country's economy could not accelerate and the problems of poverty inequity, unemployment and deprivation could not be solved) nor the challenge of globalization met. In the middle and late nineties the dominant thinking amongst the highest political and administrative echelons was that of co-operative federalism, of a sustained liberalization policy, of institutional empowerment of people in decentralised modes, of fiscal stabilisation and of effective administrative reforms. The areas of concern included decentralisation and delegation accountability, openness in governance, social justice respect for citizen's rights, constitutional, legal and electoral reforms and reforms in civil services in the widest sense of that term. The NDA coalition came into existence at the Centre after the 12th Lok Sabha was constituted in 1999. It came up with a National Agenda. The Agenda spoke of the times as a "political age of reconciliation" and "consensual mode of governance". It declared its commitment to a stable honest efficient and transparent government. It talked of self-reliance, of removal of unemployment and of a higher economic growth of 7-8% a year. It promised new policies in areas like food security. Water, judicial reforms, environment, social justice, etc. The

Agenda was affirmed to be a sincere and solemn covenant aimed at changing the content and culture of governance of this great nation freeing it from the triple cuses of hunger, fear and corruption'. A dream, alas that did not materialize!

Then followed the UPA coalition in 2004 which came out with its CNP (Common Minimum Programme) that has emphasized social harmony and enforcement of *law* without fear or favour, enhancement of the welfare of dalits. SCs/STs/OBCs. farmers and farm labour, empowerment of women, attention to child development, education, health, democratic decentralisation, development of physical and social infrastructure, generation of employment and "the unleashing of the creative energies of our entrepreneurs, businessmen, scientists, engineers, and all other professionals and productive forces of society". It also laid great stress on governance reforms and further opening up of the country's economy so as to achieve a high growth path of 7 to 8% a year in a sustained way "that generates employment so that each family is assured of a safe and viable livelihood". The reforms agenda is on. A fiscal responsibility law had been enacted centrally already and so also a freedom of information law. An Employment Guarantee Law is on the anvil. The freedom of information law is proposed to be converted into a more effective people-friendly right to information law. Many tax and non-tax regime corrections. Have been made and regulatory mechanisms set up in some important areas of economic activities like, for example, fiscal stabilization, financial marketing, corporate governance, power tariffs, etc. The process is afoot but facing some ideological barriers and coalition compulsions. The nation is awaiting outcomes with fingers crossed!

In 1996 the Central Government convened an important Chief Secretaries' Conference on "Effective and Responsive Administration". Its contexts were decentralisation and delegation, reform of civil services, accountability, transparency, legal reforms, citizens' rights, etc. However, no one talked about political reforms at the time. Many important suggestions emerged out of the high level nineties conferences which, inter alia, included a Charter of Ethics for Government Officials, an Independent Commission against Corruption. Codes of Conduct for Public Servants and Politicians, High Powered Civil Services Boards for processing postings, transfers and promotions of Senior Officers and the appointment of a Civil Services Ombudsman. Effective decentralisation of funds, functionaries and finances to rural and urban local bodies (PRIs and ULBs) was strongly

advocated. A suggested action plan for fighting corruption emerged from the Central Vigilance Commissioner (CVC) that proposed many specific steps like the evolving of a CPI (Corruption Perception Index), zero tolerance of corruption, annual property returns by ministers/parliamentarians. Mobilizing youth to fight corruption laying of traps and speedy, disciplinary action, a whistle blowing law according of statutory status to the CVC, a freedom of information law, e-governance enactment of a Corrupt Public Servants (Forfeiture of Property) law and the implementation of the Benami Transactions Prohibition) Act which had already been passed by the Parliament in 1988. Election reform was another area of priority flagged. A Constitutional Review Commission gave its detailed report that has yet to see any action-taken measures. The Kelkar Committee has made wide ranging recommendations in tax and non-tax areas. Other Committees headed by Hota, Surendra Nath, Yugandhar and Alagh offered their recommendations. The Central Government is now setting up a Second Administrative Reforms Commission (the first one was constituted in 1966; to go into several areas of public administration including suggesting ways for right sizing manpower, cost control, functional reorganization of ministries, review of rules and procedures for quick and efficient service, management of cadres performance appraisal systems, outsourcing, strengthening of Panchayat and municipal governments. etc.

5. U.P's EMERGING SCENARIO

The issues of governance have been receiving attention in U.P. for many years now. Following the CM's Conference of 1997 an assessment was made within the government of the factors that were impinging negatively on the economic growth of the State. A diagnostic appraisal brought out the following weaknesses:

- (a) Weak governance that manifested itself in poor service delivery.
- (b) Excessive regulation and uncoordinated and wasteful public spending.
- (c) Inadequate transparency accountability and integrity of public services,
- (d) High fiscal deficits forcing the State to resort to debt financing.
- (e) Low level of human development

- (f) Over stretched public sector that was unable to discharge to responsibilities effectively.
- (g) Infrastructure bottlenecks. especially in power sector.

In November 1998 the Poverty Reduction and Economic Management Unit (S.A. Region) of the World Bank brought out a report about the fiscal crisis faced by U.P. It observed that) in its budget statement of June 1998, the State Govt. had signalled a 'commitment to improve the quality of governance in the State to increase accountability and to reduce the incidence of administrative misconduct or corruption. With the slogan of the four D's-delivery, discipline dovetailing and determination to collect revenues-GOUP wishes to energies the administration and develop a new work culture. As a part of this initiative, measures have been announced to simplify complex laws and regulations. Improve transparency in civil service recruitment, to increase decentralisation in order to bring government to the doorstep of the people, to increase right to access to information about government policies and activities and to establish policy making cells in each department to improve the focus and quality of administration". The Report further went on to make a telling comment. "One problem that has plagued U.P. is acute political instability. Over the last decade, the state has witnessed eleven changes in government. As a result there has been a tendency to maximize short-term gains rather than addressing the long-term strategic issues concerning economic development of the state. Unstable coalitions and frequent charges in political leadership have been accompanied by frequent transfers of senior bureaucrats resulting in extremely limited tenures that have played havoc with all public organizations" (W.B. Report No.18633N dated 30.11.1998). The key areas flagged for reform in the report included governance fiscal adjustments, deregulation, divestment, restructuring, of public enterprises, civil services renewal, work appraisal systems, open government, anti-corruption. strategy, down-sizing of government departments, decentralisation and local government reform ,and removal of bottlenecks in respect of both social (health, education, etc.) and physical (power, irrigation, roads. etc.) infrastructure.

Sensing the acute financial crisis facing the State the Government brought out a white paper in 1998-99 calling for quick and multiple responses to. correct the situation. In March. 2000, GOUP came out with a Policy Paper on Reforms in Governance that importantly, sought to redefine the government. It came out with a paradigm shift while

stating that "the role of the State Government will progressively change with less emphasis on direct provision of goods and services and more on setting policy, contracting out, mandating, regulating, facilitating or financing economic and social services through private sector". Deregulation and divestment were identified as thrust areas for which high level bodies (High Powered Deregulation Committee and Divestment Commission) were set up. The essential strategies included (a) role redefinition of the government, (b) bringing transparency and accountability to government functioning by increasing people's access to information quick grievance removal and vigorously combating corruption, (c) renewal of civil services through right-sizing, restructuring and strict performance appraisals, (d) institutional as well as administrative decentralisation, (e) financial management reforms, (f) public participation in governance through NGO mobilization, etc. The policy document also spelt out the government's intention to bring down its personnel numbers by 2% a year till 2004) constitute Policy Planning Cells (PPCs) in all departments, develop and implement organisational performance indicators, give high priority to HRD issues like training, tenure security and transfer norms and modernise office technology in terms of computerisation. e-governance and quick communication systems. Sound financial management, budgeting and expenditure reforms and effective auditing were the other needed quick intervention areas flagged. Taking into account the wide scope and importance of the reform agenda, a Cabinet. Committee, headed by the Chief Minister was also constituted for 'providing guidance and direction to the overall implementation of the Governance Reform Policy'.

While outlining the wide ranging reforms agenda the U.P. Government also prioritized some of its important tasks. These were, economy measures, taxation and revenue regime changes developing a Medium Term Expenditure Framework, doing away with the Personal Ledger A/c system rationalizing user charges and reducing subsidies to make these pointedly targeted to the intended beneficiaries. A high level implementation team headed by the Chief Secretary to the Government was to spearhead the implementation of the policy while the Cabinet Committee on Economic Development was to review every quarter policies issued by different Departments. In addition to general matters, sectoral reforms for power, industrial development, PSUs, demography and health matters, and empowerment of local bodies were also envisaged.

Following the announcement of the new Governance Policy (2000), many consequential measures were taken by the State Government but~ in the meanwhile, between 1999 and 2003 three governments changed hands in Lucknow. Inevitably the reforms agenda suffered many discontinuities. On the positive side the following steps, illustratively speaking, were initiated:

- (i) A ban on recruitment of government staff was put in place so as to move towards right-sizing through the normal attrition process.
- (ii) High level bodies for divestment, deregulation and expenditure efficiencies were constituted who submitted their reports and recommendations.
- (iii) The State Government issued orders for the setting up Policy Planning Cells in 56 Departments which, in addition to their membership of highest level administrative and technical officials also provided for induction of external experts from scientific, engineering, academic, economic, social and public administration disciplines.
- (iv) More functions and powers were decentralised to Panchayati Raj bodies and some of the functionaries of departments transferred to them, namely, for example. primary and upper primary education, state tube wells, hand pumps, medical and health, women and child welfare, livestock, social welfare rural development, etc.
- (v) Several PSUs were wound up; efforts also began to privatise others. By early 2004, 19 units of 5 selected corporations had been closed. The PSE restructuring programme involves identification of units with a view to determining the need for the State Govt. to continue as owners. For loss-making PSE.s., VRS packages have to be drawn up and a road map for winding up such units to be laid down. Restructuring the activities of operating enterprises was yet another option pursued. From over 50 the number of PSEs had come down to 41 by 2002-03. By way of disinvestment this process has been initiated in respect of 24 closed/sick sugar mills. Similar action in respect of 27 other such enterprises is reported to be under way.
- (vi) Each service providing department/agency was required prepare and disseminate widely Citizen Charters that would indicate in clear terms, the kind of service available its quality, price, location and grievance removal system set-up, including names, addresses and phone numbers of the officials at different levels to be

contacted for quick complaint redressal. The Charters were to include, monitoring, feed-back and correction mechanisms.

- (vii) The GOUP signed an MOU with the GOI in June, 1999 that contained a broad diagnosis of the fiscal situation of the State and mutually agreed upon a set of specific reform measures in key areas to restructure the finances of the State with a view "to reducing revenue and fiscal deficits by enhancing resources and curbing non-productive revenue expenditure. Emphasis was also laid on protecting and enhancing high priority development expenditure". In the same context the GOUP initiated the "U.P. Fiscal Reform and Public Sector Restructuring Programme". The GOI agreed to catalyse World Bank assistance for the reform programme. A Project Agreement was signed with the W.B. in May, 2000, and Rs.1101 crore were received as Programme Loan-I in June 2001. An key step in this respect was the preparation of a Medium Term Fiscal Policy (MTFP) that was placed before the State Legislature.
- (viii) The major components of the MTFP provided for medium term specific fiscal targets, including Medium Term Expenditure Framework (MTEF) improving financial management and audit functions and taxation reforms. Later on, the MTEF was revised. Certain steps in respect of expenditure management were put in place like prioritising expenditure, accurate accounting, monitoring and control measures. As a result of reform measures fiscal deficit came down from 5.9% of the GSDP in 99-2000 to 4.7% in 2002-03. The revenue deficit also came down from about Rs.7252 crore to Rs.5117 crore in the same period. A revenue enhancement strategy is also being pursued which includes trade tax reforms, levy of entry tax} user charges rationalisation and debt swapping.
- (ix) Power sector reforms constitute a high thrust policy area. The U.P. Electricity Reforms Act 1999 was enforced from January. 14, 2000. Earlier, the U.P. Electricity Regulatory Commission had been set up in 1998. The unbundling of the UPSEB commenced in 2000. The U.P. Electricity Supply Code came into being in 2002 in the form of an anti-theft law. Several separate electricity distribution companies (DISCOMS) were formed as a part of the unbundling process. A Financial Restructuring Plan (FRP) was also evolved with a view to help the power

sector companies to progressively consolidate their financial position. This process is still on. It is facing many difficulties on account of staff resistance and other factors and has yet to pick up pace and dynamism in the needed measure.

- (x) One of the most important measures taken in 2004 was the enactment of Fiscal Responsibility and Budget Management law, the main objectives of which are to induct strict fiscal discipline within the state government, lay down fiscal management principles and bring about transparency in financial matters. It mandates the elimination of revenue deficit within five years (by 2009), reduction of the fiscal deficit to 3% in the same time horizon and reduction of the debt liability of the State to 25% of its GSDP by 2018. Each year the government is required by law to lay before the legislature its medium term fiscal restructuring policy (MTFRP). There is provision for half yearly reviews. Relaxation from deficit reduction targets is permitted only on account any natural calamity or national security needs.
- (xi) The treasury system in the State was computerized right down from the state to the district level. The process had begun as far back as in the eighties but was completed in late nineties. The system has very considerably achieved the objective of timely and account compilation of accounts. It has since been extended to cover other important areas like salary and pension disbursements, on-line cheque generation, budget control, etc.
- (xii) In many areas, the State Government developed new policies. Thus, for example the State Water Policy was brought out in 1999 and the U.P. Agriculture Policy brought out were Tourism Policy (in 2000), Public Services Reforms Policy (2000), IT Policy (1999), Export Policy (2002), the U.P. Forest Policy (1998), Road Development Policy (1998), Good Governance Policy (2000), the Industrial and Service Sector Investment Policy (2004) and the new Housing Policy (2005). The Sugar Policy was revised in 2004. This listing is not comprehensive.
- (xiii) For bringing about transparency executive orders were issued for providing access to public documents with suitable exceptions listed. Orders for setting up departmental cells and cells in collectorate for this purpose were issued and reportedly 51 departments agencies came out with Citizen Charters.

- (xiv) In the transport sector private participation was invited and transport development was sought to be linked with a massive programme of strengthening the road network with WB support.
- (xv) A Special Economic Zone legislation was engaged and four new SEZs planned for Agra, Kanpur, Badohi, Varanasi and Moradabad locations. Similarly five special Development Zones were to be developed, namely, a Medi City, a Web City, a Bio City, a NRI City and a Shopping Mall cluster. A new Industrial Policy was announced in 2004 and a high level U.P. Development Council set up to push forward U.P.'s industrial development with vigour and dynamism.

The above listing of measures taken is only illustrative. The main question to ask is what have been the results at the ground level of various policy, legal, procedural, technical and administrative initiatives taken.

6. THE BALANCE SHEET

Let us take a look some of the intervention areas for a brief assessment here :

(a) Fiscal Scenario

First, the fiscal management scenario. The following table reflects the fiscal scene in the State as it has emerged from 2001-02 onwards :

Table 1: Some Core Indicators of U.P.'s Fiscal Health

(In crore rupees) (rounded)

	2001-02 (actual)	2002-03 (actual)	2003-04 (actual)	2004-05 (B.E.)	2004-05 (Revised CST)	2005-06 (B.E.)
1. Balance from Current Revenue (BCR)	-5456	-3426	-17219 (-4942) A	-4578	-4432	-2061
2. Interest Ratio	31%	24%	31%	30%	27%	24%
3. Total Tax Receipts/GSDP Ratio	11.3%	12.1%	12.4%	13.3%	13.4%	14.1%
4. State's Own Tax Income/GSDP Ratio	5.7%	6.5%	6.3%	6.9%	6.7%	7.3%
5. Capital Outlay/Capital Receipts Ratio	32%	30%	27%	35%	35%	52%
6. Debt/GSDP Ratio	44%	41%	48.9%	49.1%	49.9%	51.4%
7. Revenue Deficit	6181	5117	18583 (6306) B	5527	7176	5403
8. Fiscal Deficit	9898	9497	16648 (10776) C	10398	13686	13533
9. Rev. Deficit/Fiscal Deficit Ratio	62.5%	53.9%	11.5% (58.5%) D	53.2%	52.4%	39.9%

- Notes : (i) Figures at A&B exclude the written off loan amount of Rs.12227.40 crore of the erstwhile U.P. State Electricity Board
- (ii) Figures C&D exclude the amount of Rs.5871.86 crore representing Power Bonds issued.

Source: U.P. Budget Documents for 2005-06, Volume II, Part-I, page 33

The above table in brief shows both positives as well as negatives. Thus, we can see that on the whole the BCR has improved and interest ratio come down. The tax-GSDP ratio has also shown improvement. An effort is being made to reverse the capital expenditure compression as from 2005-06. The revenue deficit has also shown a downward trend. But two areas of concern subsist, namely, a persisting high fiscal deficit and the sharply rising debt burden. Debt servicing burden alone in 2004-05 was high as Rs.19327 crore. The total size of the debt by the end 2005-06 is estimated to be very high at about Rs.1,29,155 crore i.e. 51.4% of the GSDP. Expenditure on salaries, pensions and interest comprises over 80% of the State's total revenue receipts that include central tax share transfers. This burden is expected to go up considerably if the 50% DA merger demand by employees is agreed to by the Government, as appears to be likely. Computerisation of departmental accounts is yet to

be achieved unto the DDO level which is essential for improving financial management and accountability right across the departmental domains and down to the ground level. There is also need for the setting up of a well-staffed and competent Cash and Debt Management wing in the Finance Department.

The process of budgeting has to undergo many corrections and improvements. For example, the budget calendar needs changing to ensure proper pre-budget SND scrutiny. The size of supplementary demands has been ballooning making the very process of budgeting dimensionally inaccurate and adhoc. The Contingency Fund Management, too, is far too loose. The PLA and DCL arrangements have been curbed but not phased out wholly. Budget releases are even now not spaced out to harmonies resource inflow and expenditure streams. The tendency to incessantly draw down the public account is by no means fiscally a prudent path. That is why there is a rising demand for entrusting PF accruals and withdrawals to a fiscally autonomous body. In fact future pensions also need to be made contributory on a sharing basis as has been one by the Centre for new employees. Some of the states have already taken this path. Transparency in budget preparation, decentralisation, effective audit, a law on procurement and awarding of contracts, limits on state guarantees on different types of loans raised by non-governmental bodies, and prompt follow-up and disposal of audit paras are some of the other matters that demand quick attention in better financial management contexts. Performance budgeting and measurement systems are weak or not adequately implemented. There is certainly need for greater legislative oversight through the mechanisms of the Estimates and Public Account Committees, the Committee on Public Undertakings (COPU), the questions asked in the legislature and full discussions on budget proposals. Since the time available for in-depth budget discussions in the legislature is often limited a committee system may be considered for this purpose as is the practice followed by the Parliament.

(b) Policies and their Implementations - Some Examples

Let us now consider the general situation that obtains in the State in relation to the development and announcement of various sectoral policies. Here, the picture is rather discouraging. Between policies and their successful implementation vast gaping gaps subsist. It would be appropriate to cite some examples here. The U.P. Agriculture Policy of

1999 emphasized effective land and water management, diversification of agriculture regional planning special attention to rural infrastructure and development of agro-based industries. Amongst other things it flagged a 20% seed replacement rate extensive soil testing, balanced use of fertilizers, greater use of biological and organic fertilizers and integrated pest control and nutrition management. Not much of all this has happened on the ground. A proper land use policy has yet to be evolved and announced. The seed replacement rate hovers between 10-12% only. The NPK use imbalance continues; so does the disequilibrium between inorganic and organic fertilizers. Value additions to agricultural produce are abysmally low and marketing support poor. Similarly, the lab-land interface is as yet very deficient in reach, extension and adaptations crumbling. Agriculture credit is low because of the weak and co-operative structure. Delivery systems for technology transfer, inputs, credit, etc. are of very poor quality. The result is that we have an agricultural sector of the state's economy that grew only at a lowly 2.3% per annum between 1993-94 and 2001-02. This situation has not changed much since 2001-02. That is perhaps why the need for a revised policy has been felt.

One more telling example would be that relating to yet another critical sector, namely water. The U.P. State Water Policy was announced in May 1999. It contained the estimates of surface and ground water availability in the State in utilizable terms and its future needs, indicated water allocative priorities and laid down some of its broad objectives. These objectives, inter alia highlight preservation of scarce water resources optimization of the uses of available water, conservation, better management, sustainability, equity in water uses flood and drainage issues conflict resolution in water uses and HRD/R&D. Improving data-base, factoring in environmental and ecological impacts conjunctive uses of water, water harvesting, participatory irrigation management, private sector participation, appropriate institutional and legal framework and water pricing are some other areas of action emphasized. A State Water Board had already been established in 1996 under the Chairmanship of the Chief Secretary. The State Water Resources Agency (SWARA) and a State Water Resources Data and Analysis Centre (SWRDAC) were constituted in June 2001. Two Sub-Basin Development and Water Management Boards were notified for Jaunpur and Imamganj canal distributaries under the Chairpersonship of the State Irrigation Minister.

What, however, is the ground situation? The fact of the matter is that most of the policy announcements have yet to become operationalised. Serious gaps between irrigation potential claimed to have been created and actual irrigation persist. Ground water regimes have been very poorly managed by unregulated tapping on the one hand and absence of conjunctive water use on the other. In 2002-03 the potential created was claimed to be 27,890 thousand ha while utilization was only 19,766 thousand ha. Of 805 development blocks, nearly 70% have been affected by ground water level depletion. In nearly one third of the affected blocks depletion is above 2 meters (in 19 blocks it is above 5 meters). Contrarily, there is simultaneous sub-surface water-logging by which, according to groundwater experts, nearly 79 lakh ha area was affected in 2000 if post-monsoon below ground water levels are taken into account. This is a creeping disaster crying for quick interventions. Water use efficiency (WUE) is low. According to WAPCO, taking into account various kinds of losses (evaporation, leakage, seepage, etc.), the overall WUE for unlined water courses ranges between 48 to 52% only. The State Tube Well (STW) management is in a mess. Per STW irrigated area has shown sharp fall over time. It was only 24 ha in 2000, down from over 70 ha in the seventies. Maintenance expenditure on STWs is in the region of about Rs.400 crore or so a year. Revenue collection was only Rs.0.73 crore in 2001-02. In most cases STW jamabandis had not been prepared, nor demand raised. In respect of canals the revenue is only about a quarter of the O&M expenditure. Conjunctive water use as an effective instrument of State water policy is yet to be adopted in any meaningful way. Water pricing and water use regulation have still to be legislated though it is informally learnt that a Commission is proposed to be set up for the purpose. The State Water Board has, frankly speaking, not become a vigorous, effective body.

Nearly a dozen departments and agencies are concerned with water management and between them the needed dynamic and constructive interface is wanting. Expenditure on establishment in the Irrigation Dept. is very high in comparison to the work load. Participatory irrigation management and water harvesting are the two other critical components of the State Water Policy that have still to become realities.

The examples of the State Agriculture and Water Policies have been cited here to underline the general deficiencies and wide gaps between policy and implementation in the

State. That is certainly a critical and generic governance reform issue that needs to be squarely and speedily addressed. Lack of convergence between policy and implementation is a negativity widely prevailing across the board in most sectors of development planning in Uttar Pradesh.

Several important State policies adopted in recent years have gone into disuse or have been even partially reversed. Take the example of Citizen Charters. It is said that that 41 departments/agencies have prepared the charters. The cold fact is that hardly any of these are operational. The public is simply not aware of them. For transparency and accessibility Special Cells were set up at the government level, in various departments and even in district collectorates. Most of these have become defunct or have been closed. So have the departmental Policy Planning Cells. There are, however, a few bright patches to be seen in the area of grievance removal. These are some local initiatives taken. Thus, for example, at the instance of D.M. Sitapur, the LOKVANI programme got going in the district in Nov.2004. It is an internet access-based grievance removal and information-obtaining system available to all citizens of the district. Already over 7000 complaints and requests for information had been received in the first three months of the project and over 60% are reported to have been attended to. Such initiatives are welcome and need support, dissemination and replication.

Many development functions and departmental functionaries were transferred to Gram Panchayats in 1999 (about 11 functions and staff of 8 deptts). This process has in effect been reversed in various degrees.

7. PROLIFERATION:

Keeping a check on the proliferation of government departments and their personnel is a matter of accepted policy in the State (see Up's Annual Plan Document 2005-06, Vol. I, Part-I, page 113). Here, only a couple of examples will reflect the ground situation as it is obtaining in real terms. The first relates to the U.P. Secretariate the second to the number of state government employees.

In 1965, when Uttaranchal was also part of U.P., apart from the Chief Secretary, the number of Secretaries to the Govt. was only 21 who were supported by 114

Special/Addl./Joint/Deputy and Under Secretaries. By 1998 the number of Principal Secys/Secys had gone up to 88 and that of other categories to 359. The number of sections had risen from 251 to 385. The number of levels that officers occupied in the Secretariat had shot up by 33%. The number of the ministerial staff, too, rose from 2252 to 3348. The Sectt. set-up continues to be top heavy and growing!

Let us also take a look at the number of government employees. In 1971 the number of government employees was about 5.44 lakhs - This number had shot up to about 9.33 lakhs by 1999 when U.P. and Uttaranchal were still one. The policy of the government has been to down-size the strength of staff by 2% a year and 'reduction in recruitment in departments other than education, police and medical and health'. The annual budget documents of the State Government (year 2002-03 to 2005-2006) show that, over a three year period (2001-2004), the strength of gazetted officers had gone up by 16.3%, while that of the non-gazetted personnel had marginally come down by about 4.5%. The following table would reflect the situation as it has emerged:

Table 2 : Sanctioned Strength of Gazetted and Non-gazetted Government Personnel in U.P.

Date	No. of Gazetted Employees	No. of Non-Gazetted Employees	Total Government Employees
1-4-2001	50,857	8,02,283	8,53,140
1-4-2002	54,415	8,24,067	8,78,482
1-4-2003	57,006	8,35,833	8,92,839
1-4-2004	59,125	7,66,358	8,25,483

Source : U.P. Budget Documents (2002-03 to 2005-06)

In a period of three years the total sanctioned strength had fallen by less than 3.25%. Apart from this, there are several lakh teachers who are not government employees but whose salaries have to be borne by the government.

8. ADMINISTRATION OF JUSTICE:

The accumulation of civil) criminal and revenue cases in various courts in the State is well known. Their number has gone up to millions. There is great clogging at all levels.

Many undertrials have to wait years in jails before their cases are taken up or decided. The incidence of delays in civil and revenue cases is legend. This is an important area of governance reform where many approaches are needed to speed up processes and decision-making. Alternate dispute resolution methods and quick arbitration and compounding arrangements are required. The Lok Adalats have to play a greater role. So have Consumer Forums. It is perhaps time to think of cleaning, refining and reviving the Nyaya Panchayat System to reach justice to people nearer their homes.

9. LAW AND ORDER:

Development planning, in order to succeed requires peace and order. This is an important aspect of governance that demands high priority attention at the hands of the government. Efforts in this direction have been made but much more remains to be done. Some recent figures about the incidence of main crimes in the State would be relevant here. The following table reflects the trends during last three years:

Table 3: Incidence of Main Crimes in U.P. (2002-2004)

Sl. No.	Type of Crime	Year 2002	Year 2003	Year 2004
1.	Dacoities	340	230	260
2.	Loots	2206	1607	2031
3.	Murders	6802	5421	6068
4.	Riots	4184	2059	3539
5.	Burglaries	4968	3122	4277
6.	Road Hold-ups	13	11	6
7.	Kidnappings for ransom	180	142	223
8.	Dowry Deaths	1797	1311	1624
9.	Rapes	1289	858	1263
10.*	Bank Dacoities and Loots	19	17	12

Note : * Bank dacoity loot numbers are included in general dacoity and loot numbers given in the horizontal columns No.1 and 2

The number of crimes against SCs/STs has come down from 5435 in 2002 to 2677 in 2004. The number of crimes against women is also down, though very marginally, from 14814 in 2002 to 14136 in 2004. While the overall trends are of some decline, in absolute terms, the situation is still one that has to be improved. In the area of policing several reform measures need to be taken to improve things that would include more force numbers, better training and better equipment. Also a very considerable proportion of the police force is doing non-police duties. This situation needs to be corrected.

Ultimately, the perception of order and security has to inform the mind of the common man and the investor who wants to come to U.P. to put in his or her money. Some of the other areas that need special attention are the growing menace of land mafias, the increasing use of illegal arms, the Naxalite problems in Eastern U.P. and the growing sensitivity of the U.P.-Nepal border.

10. TRANSPARENCY. RIGHT TO INFORMATION AND GRIEVANCE

REMOVAL :

Transparency in decision-making is an essential ingredient of good governance. Public needs to be kept informed about government policies and decisions taken at all levels. What we have today in Uttar Pradesh is an executive dispensation regarding people's access to government documents and to grievance removal mechanisms. The people's right to know has been recognized by courts as a fundamental right under articles 19 and 21 of our Constitution. In our country, we have had, in the past, the dark cloud of secrecy hanging over the systems of governance. Its symbol was, and is, the Official Secrets Act of 1923 that excludes people from information and lays down the penal regime of penalties for anyone who seeks to obtain it. The demand for right to information began emerging in the country in recent years.

Among the Indian States, Tamil Nadu became a pioneer in this context. It enacted a right to information law in 1997. Later on, similar laws were adopted by M.P. Gujarat; Rajasthan, Karnataka and Delhi. The Government of India also enacted Freedom of Information law in December 2002 but it did not provide for any penalty for an official if she or he refused to give information to which an applicant has a legitimate claim except that of a departmental appeal. This central law is now proposed to be replaced by a Right to

Information law with a view to ensure that the proposed right becomes more of a reality. In the State of U.P no right to information law has as yet been legislated, The State Government has passed only administrative orders that do not have a statutory basis as of now. Such a law needs to be enacted as early as possible.

The right to information' is a valuable device for preventing or reducing corruption, empowering people and improving both citizen participation and citizen satisfaction. There are many other ways in which openness, accountability and responsiveness in administration can be achieved. The Citizen Charters need to be fully activated, made effective and given wide publicity through media. One window systems need to be introduced where services and facilities are provided or people are directly affected by decisions. Clear and criterion-based openness is required in functional areas like for example, payment of pensions and scholarships, tax assessments/recoveries, loaning, tenders, government purchases, allotments of land, building plan approvals, water and power connections, billing, etc. In government offices, and that of public service providers bill boards should be put up indicating in simple words procedures and giving names, addresses and phone numbers of grievance removal officers at different levels. Token systems can be introduced at public service counters. Such and similar measures can promote cleaner governance and become preventive antidotes for reducing corruption. The Udhog Bandhu and Awas Bandhu are two State level set-ups that have assisted many people in the sectors of industry and housing. Similar initiatives for other sectors are called for. Such facilitation must travel down to district and block levels, too.

11. DEMOCRATIC DECENTRALIZATION:

Following the enactment of the 73rd and 74th Constitutional Amendments, and adoption of the needed conformity laws by the State Government) U.P. set up the Bajaj Commission in 1994 to go into the issues of strengthening panchayati raj. Consequent to its Report, in 1999, the State government amended the panchayat related laws and transferred functions of 11 Departments and functionaries of 8 to Gram Panchayats. The ZP Adhyaksha was made the Chairperson of the DRDA as well as the Sinchai Bandhu. At the time, it seemed the State Government had recognized the importance of the participatory process as a key element of good governance. The Golfs Task Force on Devolution of Powers and

Functions to PRIs (2001) had flagged some of the essential elements of devolution like, for example, allocation of funds, functions and functionaries, administrative control over staff made available to Panchayats, transfer of programmes with budgets, capacity building and freedom to take administrative and financial decisions at local levels. Training and linkages between PRI tiers were stressed. Unfortunately, the process of decentralisation in U.P. has not proceeded ahead as intended. In fact it has suffered several reverses. Staff of many of the departments transferred to PRIs (including teachers) has been reverted back. Budgets are still controlled by respective government departments and agencies. So is staff. PRIs, in effect, remain disempowered !

Democratic decentralisation is most certainly an essential and important area of governance reform and everything possible needs to be done to make PRIs, rural as well urban, effective institutions of local governance. To make Gram Panchayats viable administrative and economic units their demographic size would need to be raised to 10,000 or so.

The Government also enacted the District Planning Committee law in 1999 as mandatory required by the 74th Constitutional Amendment. Again, it is very disappointing to observe that DPCs have not become operational entities. The Central Govt. has now indicated in no uncertain terms that plans consolidated by DPCs in each State would form the basis of the 11th Five Year Plan. The Union Minister of Panchayats is reported to have stated recently in a day-long meeting of Chief Secys and Principal Secys (*PRJ* that (wherever DPCs are constituted and prepare district plans, the State will be in a position to get its share of Rs.20,000 crore a year' (TOI-LKW-12--04- 05) . It is high time that OPCs are made effective, operational and performing bodies in real terms.

12. DELIVERY SYSTEMS AND NEED OF CONVERGENCE - A CRITICAL AREA OF ACTION:

If governance at the tool-meets.-object level is to improve, (and that is undeniably the most critical level) and benefits of development and anti-poverty programmes reached effectually to those who need these most) it is the delivery systems that need to be tightened

up and vastly improved. Most development programmes launched at considerable costs and with lot of enthusiasm flounder for lack of properly worked out delivery systems.

Government and its agencies deliver various types of programmes, services, materials, benefits, facilitation subsidies, subventions, scholarships, pensions, credit, etc. to people. These can relate to physical infrastructure like roads power, irrigation, housing, drinking water, transportation, communication, etc. In the social infrastructure area services would include education, health, family welfare, nutrition, etc. Other types of deliveries could include credit, public distribution, procurement, subsidies, input supplies, financial assistance, technology transfer, etc. These are just some sample sets of activity types. An efficient delivery system requires convergence of related facilities, services, staff, institutional arrangements, materials and input supplies, credit and other assistance-disbursing arrangements, facilities for deposit of tax, non-tax and user charge dues, knowledge transfer, and a host of similar other components.

We may quickly glance here at some of the rural development linkages that have to be factored into the delivery systems in a diagrammatic form (see diagram at Annexure-I). This diagram roughly reflects the position at the district level. The diagram at Annexure-II indicates the levels at which deliveries would have to be provided. The delivery points would, in actuality; be located at many levels, e.g. district, block, sub-block and gram panchayat. The delivery systems at all these levels will have to be both convergent as well as decentralized, keeping in view the roughly indicated linkages. Convergence will have to be achieved at these levels and points for all types of facilities and services that are provided -

The key requirements for improving the Delivery Systems would include :

- (a) Decentralisation – democratic, institutional, financial and administrative,
- (b) Convergence of services and facilities at points of delivery,
- (c) Community participation, stakeholder involvement and citizen oversight,
- (d) Right to information, transparency, open decision-making,
- (e) One- window arrangements,
- (f) Quick grievance removal systems,
- (g) A credible and operative Citizen Charter system linked with social audit,

- (h) Effective field inspections, monitoring, feed-back and corrective action,
- (i) Careful targeting of benefits, subsidies, financial assistance, concessional prices, etc.
- (j) Outsource deliveries where feasible under supervision and quality-cum-cost control measures,
- (k) Use Information Technology for improving deliveries, reducing costs and for ensuring smoothly operating supply lines, distribution, inventory control, monitoring, etc.

13. CORRUPTION:

A great enemy of human development is corruption. It is both a menace and a challenge. Nearly two centuries ago Edmund Burke had said. "Among the people generally corrupt liberty cannot long exist". The virus of corruption has spread through out the social, political, economic and administrative fabric of the country. Servants of the state have become servants of pelf and power. It has just about become a way of life. It needs to be tackled firmly and ruthlessly. There is political corruption and criminalization of politics. This is the area that needs to be cleaned first. Then there is large scale corruption in government departments and its agencies. Recently a TOI survey asking for the most serious problem faced by the country brought out the response from 60% of respondents that it was corruption.

Corruption has two aspects-- preventive and curative. The need is to concentrate on preventive measures like transparency, right to information, open decision- making and making systems less prone to mal-practices. Prevention would also include vigilance/ surveillance, regular declaration of assets by public servants with periodic verification on random basis, performance audit and strict follow-up, and citizen participation and citizen oversight wherever possible). At the curative level there is need for quick investigations, prompt booking of the corrupt and speedy legal process to 'bring the culprits to book. There should be a whistle blowing law enacted. Also, a Corrupt Public Servants (Forfeiture of Property) law needs to be legislated. Corruption is a dangerous threat that needs to be met through all means available – social, political, legal, judicial, penal and administrative.

14. NON-GOVERNMENTAL ORGANIZATIONS:

NGOs voice and represent the voluntary sector which can be constructively mainstreamed into the strengthening of the processes of development at grass-root levels. Voluntary organizations can act as catalyzing agent bridges and facilitators in delivering development in villages, hamlets and urban mohallas/basties. They are more flexible in approach, less rule-bound and simpler in managerial structures. If these bodies are carefully screened, selected and mobilised they can provide more efficient delivery of services at lesser costs, with greater involvement of people and better utilization of funds.

The NGO movement in Uttar Pradesh is weak. It needs to be strengthened and fully and effectively co-opted into the streams of planned development. A note of caution would, however, be very appropriate here. Many spurious organizations claiming to be NGOs for public interest have mushroomed. Such organizations have to be firmly excluded through rigorous screening, proper verification and black listing where required.

15. E-GOVERNANCE:

The role of Information Technology as an instrument of efficiency, speed, progress and development has been acknowledge widely. Computers, internet, electronic connectivity, GIS, satellite mapping and other information collecting, processing and storing devices and systems are already very advantageously and powerfully employed in areas like science, education, data collection, processing and transmission, transportation, crime control, travel, communications, banking, billing, finance, insurance and a host of other economic activities. Other fields where IT can make powerful impacts are e-governance, training, HRD modernization of government offices (including that of its agencies and institutions) and their work environment, setting up of LAN/WAN net-works for quick communication, consultation and decision-making, tax, non-tax and user charge collections, transfer of knowledge to citizens (especially farmers and small entrepreneurs), project and programme monitoring and many other important service and delivery-related functions. This is clearly an area where Uttar Pradesh has yet to make strides in the required measure. Andhra Pradesh, Karnataka and some other States have already moved ahead. Some important initiatives have been taken by the NIC which has set the tone of e-governance in the rural development sector through 'rural informatics'. A wide range of

software applications has been developed supported by ICT infrastructure to aid planning, monitoring and sharing of information amongst various agencies. Back-end computerisation has made it possible to bring widely usable information and services into the public domain. A very vigorous, multi-pronged thrust towards endowing e-governance with an umbrella nature in administrative contexts is called for in U.P. That has surely and undeniably to be a high priority area of reform in governance in the State.

16. SUMMARISING THE PRIORITY : AREAS OF GOVERNANCE REFORMS:

(a) Political Arena

Unless the political system is cleaned up, the hope for other interventions, improvements and reforms that are certainly necessary and essential, is difficult of realization. For bringing about political reforms the essential requirements, are will and consensus amongst political parties on a reasoned position. Time has come when they should rise above their narrow, short-term, parochial interests and arrive at an agreement for the cleaning up of the political system (including electoral reforms).

(b) Administrative Domain:

- (a) Reducing the costs of governance,
- (b) Capacity building of government and PSU personnel,
- (c) Insulate government officials and police from recurrent political interference. Depoliticize police force. Ensure tenure security.
- (d) Enact law for citizen's Right to Information,
- (e) Strengthen anti-corruption laws/machinery/institutions,
- (f) Introduction of quick and efficient grievance removal systems. High emphasis on E-governance. Transparency and open decision-making,
- (g) Introduce financial/budgetary discipline and fiscal responsibility at all levels,
- (h) Reform the Administration of Justice System,
- (i) Strengthen democratic decentralization and, importantly, bring about convergence in delivery systems,
- (j) Factor in environment safety and sustainability in all developmental processes.

(c) Fiscal and Financial Management:

- (a) Reduction of the high fiscal and revenue deficits,
- (b) Strict enforcement Fiscal Responsibility Law.
- (c) Review of the subsidy regime. Subsidies should be restricted to merit goods and specifically targeted only to properly identified, deserving and eligible groups.
- (d) Widening and deepening of the tax base. Rationalizing user charges and moving to cost-based pricing with provision for cross-subsidization where necessary.
- (e) Set up Statutory Regulatory Authorities for those service or supply sectors where these do not exist now, e.g. transport, irrigation, water, municipal services, etc.
- (f) Curb on State Guarantees through statutory means.
- (g) Reform the Pension and Provident Fund Systems.

(d) Infrastructure and Rural/Urban Development:

- (a) Step up investments on power, roads, irrigation and transportation substantially. At the same time there must be high emphasis on strengthening social infrastructure in areas like health, education, nutrition and women and child welfare.
- (b) Maintenance of assets already created.
- (c) Power tariffs need to be rationalized and depoliticized. Water pricing is equally important.
- (d) For pricing infrastructure related services independent regulatory bodies should be set up.
- (e) The legal, financial and managerial environment has to be made conducive to public-private partnerships in infrastructure projects.
- (f) Special attention to problems of Urban Development.

(e) Employment and Manpower Planning:

- (a) Tackling the huge back-log of unemployment and absorbing additions to labour force. While employment guarantee can be a distant goal, social security needs to be improved.
- (b) The present labour laws need to be amended. It is self-employment that must be given high priority.
- (c) Skill formation has to be upgraded at all levels.

CONCLUSION:

In a fast moving world governments have to live with and respond to change. And, governance has to ensure that such change does not cause disparities to increase or give rise to social unrest and dislocations. We need a middle path whereby empowerment of people and freedom of choice can stimulate entrepreneurship, where development creates incomes work and opportunities and it becomes equitable as well as sustainable. The Government has to become catalytic. It should steer, not row. The Government has to be efficient, open, mission-driven and result-oriented. It has to be citizen-friendly, specially for those who are weak and poor. It has to move from centralization to decentralisation, delegation and devolution. It should become committed to the deepening of democracy and strive for greater equity amongst and empowerment of, people. All this will necessarily demand clean and –competent political management, efficient honest and accountable bureaucracies (general as well as technical), an administration with compassion and outreach, sound fiscal policies, ethics-led businesses, rule of law, strong institutions and informed citizenry. The challenges are onerous. The answer lies in positive and determined responses.

In the present age of globalization liberalization and competition there is, at times an impression created that the role of government is on the decline. This is certainly not true of a country like India or a State like U.P. where poverty, deprivation and want still prevail in a very considerable measure. In the pursuit of a widely shared and sustainable growth the market forces would have need to be tempered by enabling, equity-oriented policies and laws, good governance, strong institutions and vibrant people's democratic bodies. The market and the state have to complement and supplement each other.

Over eight decades ago Gandhiji listed seven sins of public life. These were: politics without principles, wealth without work, pleasure without conscience, knowledge without character, commerce without morality, science without humanity and worship without sacrifice. The lessons that we can draw from this listing are never as valid as now for ushering in good governance.